

QUESTIONS · OF · THE · DAY  
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# Industrial Conciliation

*Report of the Conference of  
The National Civic Federation*

# QUESTIONS OF THE DAY.

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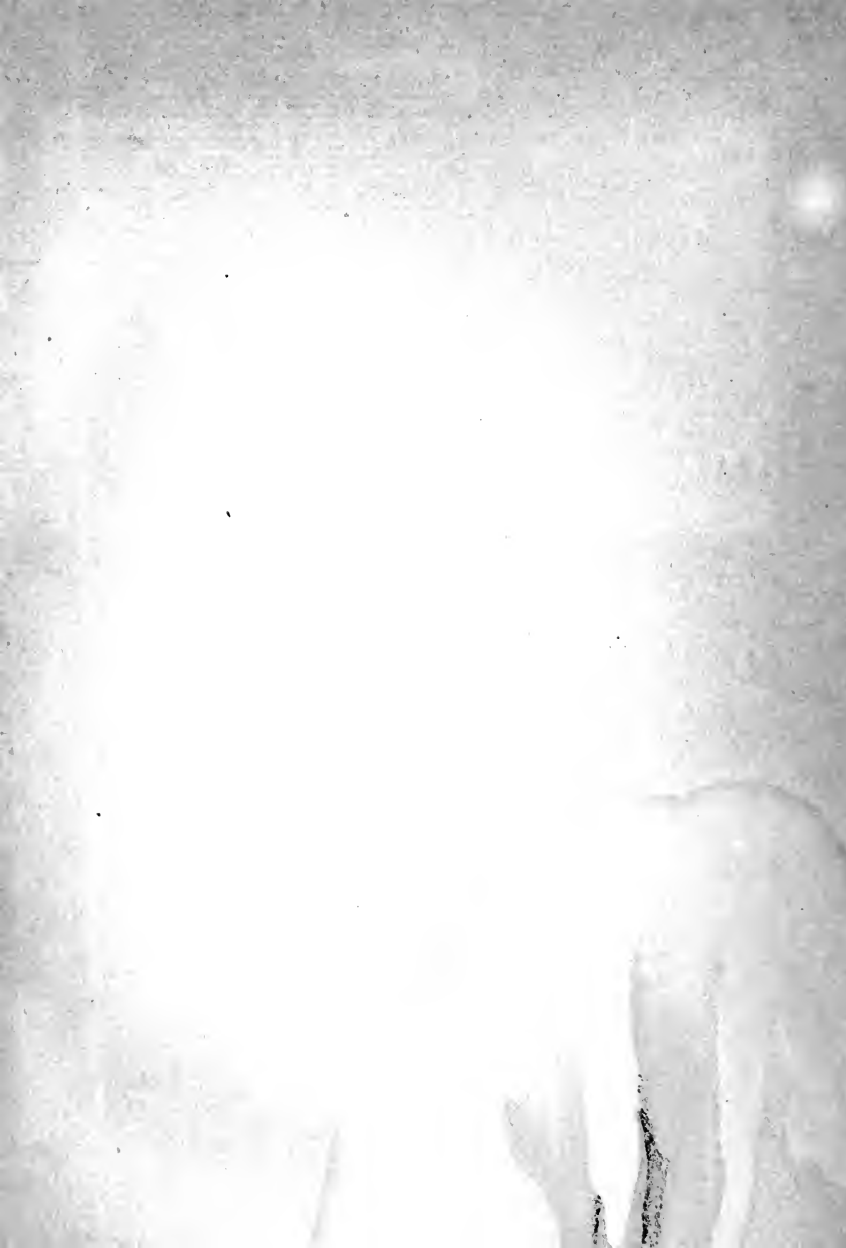
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*national conference on industrial  
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# Industrial Conciliation

## Report of The Proceedings of the Conference

Held under the Auspices of  
The National Civic Federation

At the  
Rooms of the Board of Trade and Transportation  
In New York

December 16 and 17, 1901



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## PREFACE.

THE National Conference on Industrial Conciliation held in New York, December 16 and 17, 1901, followed naturally upon two preceding conferences held respectively under the auspices of the Civic Federation of Chicago, and its outgrowth, the National Civic Federation. The first conference was held at Chicago, November 13 and 14, 1894, succeeding the strike of the American Railway Union, usually known as the "Pullman Strike." The characteristic features of that conference were academic and philanthropic. Emphasis was laid upon the importance of arbitration and conciliation and the service to the country which could be expected from the adoption of peaceful methods in settling labor disputes. The proceedings were published in a pamphlet of ninety-six pages.

The second conference was held in Chicago, December 17 and 18, 1900, under the auspices of the National Civic Federation. This conference marked a step in advance, in that it brought clearly to the front the idea of conciliation as distinct from arbitration, and the plan of the joint agreement as the basis of conciliation. At this conference, also, much interest was taken in the discussion of

compulsory arbitration, and the conference resulted in practically deciding that, for the United States at least, the proper line of progress should be in the direction, not of compulsory arbitration, but of voluntary conciliation. The proceedings of the conference were reported at length in the daily papers, but were not published in a separate volume. The more important papers are reproduced in Part II. of this volume. A Committee of twelve members, representing labor, capital, and the general public, was appointed at the conference. This Committee issued an "Appeal to the American People" recommending the adoption of annual or semi-annual joint agreements and the creation of joint boards of conciliation. This appeal will be found in Appendix I. of this volume. The Committee of Twelve met and organized in January, 1901, enlarged its membership to forty and called a meeting to be held at New York in May. Meanwhile the Committee was able to avert the threatened anthracite coal strike by securing a conference of representatives of the operators and mine workers. At the meeting in New York, two public sessions were held, one in the rooms of the Chamber of Commerce and one in Cooper Union. At that time the Committee issued a statement known as "The Plan and Scope" (see Appendix II.), providing for an educational campaign and practical work, and for the appointment of an Executive Committee.

Pending the appointment of the Executive Committee, a sub-committee was called into active par-



ticipation in the Albany Street Car Strike, the controversy between the National Metal Trades Association and the International Association of Machinists, and what is known as the United States Steel Strike, this latter practically requiring the continuous effort of the sub-committee from the 1st of July until the 15th of September.

It was the success of the Committee in this work that demonstrated to the public the practical character of the organization, and enabled it to command the attention and support of the representative men who accepted appointment upon the Executive Committee at the Conference in December following.

The conference at New York in December, 1901, was held at the rooms of the New York Board of Trade and Transportation. Those who took part in the proceedings were leading men in commerce, industry, and in labor organizations. A complete stenographic report of their discussions is given in Part I. of this volume. The Industrial Committee, appointed after the adjournment of the conference, was organized as "the Industrial Department of the National Civic Federation" and includes the following named members and officers:

#### OFFICERS AND EXECUTIVE COMMITTEE

MARCUS A. HANNA, Chairman  
SAMUEL GOMPERS, 1st Vice-Chairman  
OSCAR S. STRAUS, 2d Vice-Chairman  
CHARLES A. MOORE, Treasurer  
RALPH M. EASLEY, Secretary

## ON THE PART OF THE PUBLIC

GROVER CLEVELAND (Ex-President of the United States), Princeton,  
N. J.

CORNELIUS N. BLISS (Ex-Secretary of the Interior), New York City.  
OSCAR S. STRAUS (Member of the Permanent Court of Arbitration  
at The Hague), New York City.

CHARLES FRANCIS ADAMS (former President of the Union Pacific  
Railroad), Boston.

ARCHBISHOP JOHN IRELAND (of the Roman Catholic Church),  
St. Paul.

BISHOP HENRY C. POTTER (of the Protestant Episcopal Church),  
New York City.

CHARLES W. ELIOT (President Harvard University), Cambridge,  
Mass.

FRANKLIN MACVEAGH (Merchant), Chicago.

JAMES H. ECKELS (former Comptroller of Currency of the United  
States), Chicago.

JOHN J. MCCOOK (Lawyer), New York City.

JOHN G. MILBURN (Lawyer), Buffalo.

CHARLES J. BONAPARTE (Lawyer), Baltimore.

RALPH M. EASLEY, Ex-officio, New York City.

## ON THE PART OF EMPLOYERS

MARCUS A. HANNA (Coal Mines, Iron, Shipping, and Street Rail-  
ways), Cleveland.

CHARLES M. SCHWAB (President of the U. S. Steel Corporation),  
New York City.

S. R. CALLAWAY (President of the American Locomotive Works),  
New York City.

CHARLES A. MOORE (Manning, Maxwell & Moore), New York City.

EDWARD P. RIPLEY (President Atchison, Topeka & Santa Fe Rail-  
way System), Chicago.

J. KRUTTSCHNITT (Vice-President Southern Pacific Railroad Com-  
pany), San Francisco.

H. H. VREELAND (President of the National Street Railway Asso-  
ciation), New York City.

- LEWIS NIXON (Proprietor Crescent Shipyard), New York City.  
 MARCUS M. MARKS (President National Association of Clothing Manufacturers), New York City.  
 JAMES A. CHAMBERS (President American Window Glass Company), Pittsburg.  
 WILLIAM H. PFAHLER (former President National Founders' Association), Philadelphia.

# ON THE PART OF WAGE-EARNERS

- SAMUEL GOMPERS (President American Federation of Labor), Washington.  
 JOHN MITCHELL (President of the United Mine Workers of America), Indianapolis.  
 FRANK P. SARGENT (Grand Master, Brotherhood of Locomotive Firemen), Peoria, Ill.  
 THEODORE J. SHAFFER (President Amalgamated Association of Iron, Steel, and Tin Workers), Pittsburg.  
 JAMES DUNCAN (General Secretary Granite Cutters' National Union), Boston.  
 DANIEL J. KEEFE (President International Longshoremen's Association), Detroit.  
 JAMES O'CONNELL (President International Association of Machinists), Washington.  
 MARTIN FOX (President Iron Moulders' Union of North America), Cincinnati.  
 JAMES M. LYNCH (President International Typographical Union), Indianapolis.  
 EDGAR E. CLARK (Grand Chief Conductor, Order of Railway Conductors), Cedar Rapids, Iowa.  
 HENRY WHITE (General Secretary United Garment Workers of America), New York.  
 W. MACARTHUR (Editor *Coast Seamen's Journal*), San Francisco.

Upon its organization, the Committee adopted the following "Statement of Purpose":

## STATEMENT OF PURPOSE

The scope and province of this Department shall be to do what may seem best to promote industrial peace and prosperity; to be helpful in establishing rightful relations between employers and workers; by its good offices to endeavor to obviate and prevent strikes and lockouts, to aid in renewing industrial relations where a rupture has occurred.

That at all times representatives of employers and workers, organized or unorganized, should confer for the adjustment of differences or disputes before an acute stage is reached, and thus avoid or minimize the number of strikes or lockouts.

That mutual agreements as to conditions under which labor shall be performed should be encouraged, and that when agreements are made, the terms thereof should be faithfully adhered to, both in letter and spirit, by both parties.

This Department, either as a whole or sub-committee by it appointed, shall, when requested by both parties to a dispute, act as a forum to adjust and decide upon questions at issue between workers and their employers, provided in its opinion the subject is one of sufficient importance.

This Department will not consider abstract industrial problems.

This Department assumes no powers of arbitration unless such powers be conferred by both parties to a dispute.

The Committee also adopted by-laws, of which the following articles bear upon the organization

and the methods to be employed in case of labor disputes:

## ARTICLE VII

### CONCILIATION COMMITTEE

The Chairman shall appoint a Committee on Conciliation to consist of nine members, three of whom shall be selected from each group, whose duty it shall be, upon notice from the Chairman of threatened strike or lockout of more than local magnitude, to use its good offices in restoring harmonious relations, reporting its action to the Executive Committee.

## ARTICLE VIII

### ARBITRATION

Should the efforts of the Conciliation Committee prove ineffective, and should both parties to the dispute desire the services of the Executive Committee of this Department, they may be invited to select two employers and two wage-earners from said Executive Committee, to serve as an Arbitration Board. Should the four find it necessary to appoint an umpire to finally decide the dispute, they may select a fifth member from the group representing the public. Nothing in this Article shall be construed to prevent the Conciliation Committee from securing, when desirable, arbitrators outside of the Executive Committee.

## ARTICLE IX

### EMERGENCIES

Should a controversy seem of such magnitude as to justify such action, the officers shall be authorized to

call a meeting of the entire Executive Committee to consider the situation, and take such action as may, in their judgment, be required.

## ARTICLE X

### AUXILIARY COMMITTEES

The Executive Committee may appoint Auxiliary Committees to deal with local disturbances, the rules governing the same to be in harmony with the general purpose of the Industrial Department.

NATIONAL CIVIC FEDERATION,  
New York, April, 1902.

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PART I.

REPORT OF THE NEW YORK CONFERENCE,  
DECEMBER 16-17, 1901.





## NATIONAL CONFERENCE ON INDUSTRIAL CONCILIATION.

MEETING OF THE NATIONAL CIVIC FEDERATION AT NEW YORK CITY, DECEMBER 16-17, 1901.

HON. OSCAR S. STRAUS, presiding, opened the meeting with the following address:

FELLOW LABORERS:

In the name of the National Civic Federation, I greet you all.

You remember the story in *David Harum*—how, when the millionaires entertained him at Newport, he said “low bridge,” and instantly all present ducked their heads in recognition of their origin. This is pre-eminently true in our country, and it is our pride and our strength. So long as this continues true the chasm between labor and capital can neither be very wide nor very deep.

I do not know why I was selected for this honorable privilege of presiding over this conference,—in many respects one of the most notable that has ever convened,—except that it was my good fortune to compose the differences of laborers in other fields, in the spiritual field, between our missionaries on the banks of the Bosphorus and his Imperial Majesty, the Sultan of Turkey.

It has been said that one half of the misery of the world results from ignorance, and the remainder results from passion. I am sure a large share of the trouble between capital and labor is traceable to these two disturbing factors. Conferences such as these, called together for purposes of deliberation and conciliation, are the best means for coming to a working understanding.

It is not for me to do more than indicate an opinion as to what form that understanding should ultimately take. I have faith in the conference of the intelligent leaders of both sides. Organization is concentration and paves the way to arriving at a better, more definite, more speedy, and more permanent understanding of reciprocal rights, leading to reciprocal concessions. President McKinley in his last address to his fellow-citizens gave wise advice the spirit of which applies to this situation: "Commercial wars are unprofitable. A policy of good will and friendly trade relations will prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times. Measures of retaliation are not." I believe in mutual agreement as the first and most reliable method, followed, when necessary, by arbitration as a second stage. I doubt the wisdom or practicability of the passage of laws for compulsory arbitration.

Industrial peace to be permanent must not rest upon fear or force, but upon good will and equal rights, and, if you please, upon equal power.

You, gentlemen, are the representatives of the brains and sinews of the industrial forces and energies of the country—organized capital and organized labor. From these two bodies, acting in accord and harmony, with just regard for the rights, duties, and privileges of each,

emanate the material welfare, happiness, and prosperity of the eighty million people of these United States.

In no country are conditions by law and by nature better adapted to the equitable adjustment of the reciprocal rights, duties, and privileges of labor and capital than in our own — and why? Because we are a democratic republic, with no class privileges nor class distinctions to separate us—and because the laborer of yesterday is the capitalist of to-day, and because, too, the capitalist of to-day may be the laborer of to-morrow. Men like Leland Stanford, Carnegie, and Rockefeller were all architects of their own millions, who, in recognition of their struggles from, and their love for, the laboring classes, dedicate their surplus millions to enlarge the avenues of access to the highways of success. In one single day during the past week two of these successful laborers gave forty million dollars to keep those highways open long after we shall have passed from the scenes of their successful struggles.

That the wage-earners form the primary schools for the millionaires is evidenced every day; that they are more prosperous every year is evidenced on all sides; look at the deposits in our savings-banks, which aggregate in round numbers two thousand, five hundred million dollars, an average of more than four hundred dollars for each of its six million depositors. No other country can make a showing comparable with this. And in no other country do wage-earners through well directed energy in larger numbers become capitalists, and capitalists through misdirected energy more readily become wage-earners, than in our own; there are here less obstructions on the up-grade as well as on the down-grade.

Our country is characterized by certain classes in Europe in tones of contempt—but really out of envy for our prosperity and in fear of our aggressive competition—as the most commercial country of this commercial age. So be it, we accept the designation. We glory in it, because we recognize that the much decried spirit of commercialism contains more of the spirit of fair play, fair exchange, and of humanity and all that constitutes a great and prosperous nation, than that system whose energies are concentrated to convert men into slaughtering machines, and to offer them up as food for shot and shell, that system of militarism which makes of Europe an armed camp, which glorifies the state at the expense of the individual.

That we can wage war when necessity demands, our entire history is a proof; but, thank God, we have not made and will not make our country an armed camp, but a country where the humane arts, where the field and the forge and the counting-room combine for peace and plenty.

You great captains of industries, you the great leaders of organized labor, have come here in a spirit of conciliation and deliberation. May that spirit characterize your entire proceedings, and may our meeting tend to a better understanding between the constituents of these powerful interests so dependent upon each other, known as capital and labor, but which in fact are but members of the same household, wherein the welfare of each rests upon mutual concessions to the rights and privileges of the other. In the harmonious union of these two forces lies the basis for true expansion, to conquer the markets of the world for those products of American farms and factories in which we excel as a producing nation.



I will conclude these introductory remarks with the sentiment so fitting for this occasion contained in President Roosevelt's message to Congress: "When all is said and done the rule of brotherhood remains as the indispensable prerequisite to success in the kind of national life for which we strive."

We have here a number of prominent gentlemen whose services are identified with the cause for which we are gathered together. I regret that at this morning's meeting some of the leading representatives of labor have not as yet arrived, but they will arrive later. I shall take pleasure in calling upon a gentleman to address you who requires no introduction. He has not only been a spiritual leader for great numbers throughout these United States but he has been in actual touch with the problems which we have here before us. It was he who was mainly instrumental in organizing the Board of Mediation and Conciliation. I call upon the Right Reverend Bishop Potter. (Applause.)

BISHOP POTTER: There is a slight inaccuracy on the part of the Chairman in his statement in regard to the origin of the Board of Mediation and Conciliation. The responsibility, or privilege, of having taken the initiative in that belongs to the present Mayor-elect of this city and Dr. Felix Adler and two or three others as well as myself.

I should like, if I might, first of all, to offer a resolution that the Secretary, when he is appointed, be instructed to send a telegram to the gentlemen of whom we have learned through you that they are unavoidably detained from this meeting, to express to them our regret at their absence and to assure them that the meeting will be held together until their arrival.

Motion seconded and adopted.

BISHOP POTTER: I move that Mr. Easley be appointed Secretary.

Motion seconded and adopted.

BISHOP POTTER: I wish to congratulate the gathering within this room upon two things. First of all upon its informality, which I venture to say is a very important element in it. I think I express the mind of a great many people when I say that nothing has happened in the history of the great social problem with which we are concerned so important as the initiative which has been taken here to-day. The bringing together of the great forces of industrial activity in some comity of intercourse and conference is in my judgment the largest step in the direction of the solution of problems with which the whole country is concerned that has as yet been taken, and this assemblage is to be congratulated on the fact that the gentleman who is called to preside over it has, as he has reminded us, been already successful in harmonizing differences between men. Certainly anybody who can harmonize differences in which the Sultan of Turkey is concerned may be considered as having eminent gifts for such a task as ours.

For, what we want is, first, *intelligent* consideration of these complex questions, of the very highest order. While I was sitting and listening to you, sir, I was reminded very much of what my brother Bishop of Tennessee told me the other day of a colored meeting in his diocese where a colored brother, with a very loud voice, but with very feeble mental endowment, was pounding the pulpit and crying out, "O Lord, give us power, give us power." At length an old black man who sat behind him called out in a sub-tone which was audible

to the whole audience, "Brother, it is not more power that you want, but more *idees*!"

Gentlemen, that is what we want. We have had a great deal of rhetoric on both sides; but I confess I have been lately encouraged in the belief that the questions that are to be considered in such a conference as this will be dealt with thoughtfully, from evidences that we have had during the last year or two of the clear and honest thinking that has been elicited on both sides in the bodies to be represented in this room.

For it is not more power that we want, whether we are working men or capitalists. Mere power is a very dangerous thing, but power regulated by ideas is of equal value whether it is power in the organization of labor or in the organization of capital. And the growth of a habit of intelligent scrutiny of the industrial problems to-day is, to my mind, the most interesting and most promising note with reference to the future. In that respect I venture to say that I hope the expectations which are kindled in the minds of the public in regard to such gatherings as this will be agreeably met. We are constrained, I think, to recognize the falsity of certain superficial remedies for labor troubles, and the need, in dealing with them, of a wise discretion.

But the best thing in the present situation is the animus behind it. In that regard there has been great progress. The attitude of men in the organized forces either of labor or capital is to-day a more hopeful one than we have ever known. And if we can furnish the third quantity in the whole problem, I believe you will go a long way toward success.

Last evening I was dining with an eminent artist, and we were talking about his department of art, and the

work of Mr. Burne-Jones. Both of these men are concerned in kinds of work, whether in glass or marble or plaster or other materials, which involve contact with the workmen. This gentleman told me that Burne-Jones had complained to him that he greatly regretted the passage of those earlier days in his profession when, after he had made a drawing, he could follow that drawing into the workshop alongside the man who turned it into stone, or marble, or wood, or whatever it was. Art, he said, whenever the artist and the workmen were not in close touch, was in danger of becoming commercialized. There is a very great truth there. That is the danger with all modern work,—that it will become merely commercialized the moment you take the human element and human contacts out of it. And I hope one of the highest aims of this organization will be to get back those contacts into the relations of capital and labor and to do that by restoring the *points* of contact. The misery of modern industrial life I maintain is in its isolations. The moment you get a great body of men who know nothing about each other you have got the germ of innumerable evils. And the greatest service an organization like this can render is to re-establish contact with others of men who are in the habit of thinking or working by themselves. A labor organization gets its members into a room and they are harangued by nobody but men who look at their side of the problem. The capitalists on the other hand do the same thing. And so if I were asked to design a seal for this society it should be the representation of the fable of the Knights of the Gold and the Silver Shields, each of them charging one another with being a liar, because neither of them can see both sides of the shield. Then I should

make the motto for that shield, "Put yourself in his place." (Applause.)

MR. STRAUS: This morning in taking up the paper I read the following:

"I would rather have the credit of making successful the movement to bring labor and capital into closer relations of confidence and reliance than be President of the United States. If by resigning my seat in the United States Senate I could bring to fruition the plans that we are now fostering to make strikes, lockouts, and great labor disputes impossible, I would gladly do so. I think it is the grandest thing that could be accomplished in this country. I would want no greater monument than to have the world remember that I did something to end wars between American labor and American capital."

These are the sentiments expressed by Senator Hanna. (Applause.) I have the great pleasure, not of introducing to you, because you all know him, but of asking Senator Hanna to give expression to his thoughts upon this occasion.

SENATOR HANNA: Gentlemen, those are my sentiments. They came from the heart, and they came after a long experience in the industrial world and almost daily contact with labor since I have been a man of business.

In my business connection it so happens that I have been engaged in that class which has necessitated the employment of a large number of laborers. In 1874 it happened for the first time that I had direct dealing with a distinct labor organization. That was the year that the National Bituminous Coal Miners' Association of the United States was formed. I remember the incident when the president of that organization and its secretary called upon me in my office. It was a year which

followed a long and disastrous strike in a section of the coal mining districts of Ohio. They came to me with a proposition representing their organization that something ought to be and might be accomplished to do away with the disastrous strike, and by way of argument they read to me their constitution and by-laws. I said to them, "Gentlemen, if you mean what you have said in those articles, I am with you. If it is your purpose and determination to lay the foundation for a better understanding between capital and labor I will give you my hearty co-operation." And having become convinced that there was sincerity in their purpose I immediately took up the operators' side of the question and in a short time we had an operators' organization and a committee appointed from each, to whom was to be referred all differences and difficulties to be settled by arbitration. During the life of that labor organization all troubles and differences were settled by arbitration. That incident made me an advocate in favor of organized labor. (Applause.)

And from that day until to-day I have been a believer that at some time that sentiment might dominate and the results from it would be what I have always dreamed of and hoped for. From that day until to-day I have never ceased in my individual capacity to work to secure those results. During those years I have seen and been in contact with many differences between capital and labor. I have studied the proposition from every standpoint, never abandoning the hope, as I saw from appearances on both sides a near approach to a better understanding. Therefore I say I never have abandoned the hope that that day might come. And in this presence, and in the interest which I see manifested by those here to-day, I

believe the day is near at hand. To say that I am interested in it is to put it very mildly, and although I did not intend that that sentiment should have the publicity which your President has given it,—and perhaps it may seem a little egotistical to have mentioned it in that connection,—I reaffirm the sentiment by the statement that I stand ready and willing and anxious to give the best that is in me while life remains to accomplish this purpose. (Applause.)

I sincerely believe that the opportunity is now ripe, and from such expressions as we have heard from Bishop Potter and from others, I am encouraged to believe that that third element is coming into power, making manifest an interest outside of those two forces which have been engaged together in this country, that will solve all problems, surmount all difficulties, and bring the two opposite forces together.

This is not the time nor place perhaps to discuss particulars. I simply want to improve the opportunity to give expression to that thought, that it is my all-absorbing interest and firm determination as a worker in the field, to join with all those, the laborer and the employer, to bring about a condition of things which will accomplish more in the direction of good government, good social relations, and good morals than any one subject which the public mind can take hold of. (Applause.)

The faith in me of this accomplishment has grown stronger from year to year. So that, my friends, I feel that this is but the beginning of the end which will accomplish the purposes for which we are assembled here. And with the assurance that in every way that I can I will serve with you, I am at the service of this organization. (Applause.)

MR. STRAUS: I am sure we are all grateful for the encouraging words that have already been spoken and for the attendance of men here who come from a far distance in order to lend their help to the proper consideration of this most important subject. I will call upon a gentleman who, though in the spiritual field, has done great work in the practical field as well, who has also come from a long distance, and whom I have the pleasure of calling upon: the Most Reverend John Ireland, Archbishop of St. Paul.

ARCHBISHOP IRELAND: Gentlemen of the conference—When I received the invitation to attend this conference I believed it was for me a solemn duty to accept the proffered honor. A minister of religion, I held that it was my duty to contribute in any way within my power to what makes for peace, for harmony, for brotherhood among men, for the growth and elevation of humanity. A minister of a Church whose supreme Pontiff has declared that the greatest social question to-day is the maintenance of peace between capital and labor and has impressed upon the leaders of the people that they must unceasingly strive to bring about and preserve such peace, I believed that it was my duty to hearken to an appeal so much in harmony with his encyclicals. And glad I am that I was invited hither, and that I am with you to-day. As I look around this hall, notice the men that are here assembled, and listen to the addresses that are made, I realize the immense possibilities for good that exist in the conference.

There has been not unfrequently discord between employers and employees, discord that has wrought great harm to the interests of both classes. The chief cause of such discord is this, that employers and employees



have not sufficiently been brought together, have not sufficiently looked into the faces of one another, drunk in the ideas of one another, and felt the warmth of the hands and hearts of one another.

Bishop Potter remarked that something more than power is needed for the quieting of social agitation; that ideas are needed; and that ideas will come from our mutual discussions. But there is something else needed besides either power or ideas: it is brotherhood, the manifestation of the love which as men, as children of God, we owe to one another, and which, I am sure, we feel in our hearts for one another! This, too, will be a result of the conference. X

I have met with all classes of men. I have met with rich and with poor, with employers and with employees, with capitalists and with workmen. I think I know the ideas and the feelings of men on both sides of the question. And I am satisfied that what is necessary for mutual understanding and for industrial peace is to create a channel by which there can be between classes an interchange of ideas and a mutual flow of brotherhood. Employers realize that they are brothers of their fellow-men, that their fellow-men are their brothers. I do not know the employer who is not ready to say that the ideal and proper condition of the workman is that sufficient means be earned by him to enable him to lead a life becoming to a man, becoming to a child of God; and that efforts should be made by all that industrial operations may afford, in all cases, to the workman such sufficient means. I do not know the capitalist who thinks that a man, whoever he be, however poor and weak, is a mere piece of machinery, valued only as a producer of industrial force. Capitalists who would

have so thought may possibly have existed in past times or may possibly exist in other lands than ours. Such do not exist to-day in America. On the other hand I do not know the working man who does not confess that his arms are of no account to earn a livelihood for himself and his family unless he be assisted by the leaders of industry who gather in the financial resources needed to purchase machinery and to open markets, whose superior ability and judgment are required to marshal into a compact and successful phalanx scattered and, so to speak, inorganic labor. That the workman may have an opportunity to earn a livelihood there must be within his reach capitalists and employers. Nor are there laborers to-day in America who do not realize that whatever may be the equality of men as to legal and political rights, there is among men inequality of talent, of power, of industry, arising from the very nature of each one, that through the thousand circumstances of society there is among men inequality of circumstances and of opportunities, and that as a consequence there will be necessarily and always among men inequality of possession of the things of earth.

But why is it that despite such convictions strikes occur and difficulties and misunderstandings arise between employers and workmen? Largely because employers and workmen remain apart; because they do not know one another sufficiently; because often men of one class or of the other act rather under impulse than as the result of sober reflection. If when, in the future, difficulties threaten harmony and peace—we know human nature too well not to imagine that difficulties will not be forthcoming—men meet, inquiring what is the cause of complaint, striving to understand one another, difficulties

to a large extent at least will be overcome. <sup>1</sup>As a storm approaches, instead of looking from a distance at one another with angry feelings, let men touch hands, frankly admit that the good of all requires a calm atmosphere, and in nine cases out of ten the storm will be turned aside.

This is the aim of our conference. There is nothing more encouraging in the field of labor and capital to-day than this very fact, that to-day men of all classes come together and say "Let us have peace." Mr. Hanna, speaking from the fulness of his heart, declares himself ready to make any sacrifice for the sake of industrial peace: his words echo the thoughts and feelings of all who are assembled with him, employers, workmen, representatives of the general public, friendly alike to employers and to workmen. With this spirit dominating our assembly, its success is at once assured.

As the honored Chairman has said, in no country of the world is there such an opportunity for industrial peace and mutual understanding as there is in America. <sup>2</sup>America is a democratic country. In political and social strivings Americans start from the principle that they all are fellow-citizens and brothers. Their political constitution makes it plain that in all things they ought in the name of brotherly love to understand one another, respect and safeguard the rights of one another. <sup>3</sup>Elsewhere classes of men by right of birth and of titles may imagine themselves better than others: elsewhere classes of men bowed down through long centuries of servitude, thinking that no ray of sunshine can peer through the overhanging cloud, find room in their hearts only for despair and hatred. Pride on one side, despair on the other, produce discord and revolution. In America, conditions are different. Here all citizens are

compelled, when standing before the electoral urn, to acknowledge an equal citizenship with other men, and a common brotherhood. Here men who have merit may rise; the poor man, the workman of to-day, may become the capitalist and the employer of to-morrow. Americans are under especial obligation to establish in their land industrial and social peace. Mr. Chairman, I know it, from all countries in the world to-day men, lovers of their kind, men, workers for humanity and for religion, look toward the United States for a solution of this mighty question of the relations of capital and labor. In every country of Europe I have heard it said: "If you cannot in America settle this question, the task is hopeless." If the fact of our meeting to-day were known throughout the world, tens of thousands of anxious eyes would be turned toward this hall and from tens of thousands of hearts prayers would go up to the supreme Father that our counsels be wise and our efforts be fruitful. From heaven the God of peace, the common Father of heaven, blesses our meeting.

MR. EASLEY: Mr. Chairman, there are two gentlemen present this morning whom I think the committee would like to hear from before we adjourn. One is Mr. William H. Pfahler, of Philadelphia, a large stove manufacturer, who is regarded as the father of the idea of organization of employers. About fifteen years ago he organized the stove manufacturers, and five years later he found that worked so well that he was instrumental in organizing the National Founders' Association, an organization of some six hundred manufacturers, and a few years after that the National Metal Trades Association of six hundred manufacturers.

The second gentleman is Mr. John Phillips, who has for nineteen years been the Secretary of the National Union of Hatters. Mr. Phillips is not prepared to speak this morning, but being the only national representative of labor organizations present is willing to speak before the session closes.

We have also with us some ten representatives of the largest organizations in New York City.

THE CHAIRMAN: Mr. Pfahler, we shall be most pleased to have you make some remarks from your vast business experience on this subject.

MR. WILLIAM H. PFAHLER: I only arrived in the room a few moments ago, but I fail to realize, after the few words I have heard since I came into the room, that there is a single other word to say on this proposition. In the few moments that I listened to the closing remarks that you have all heard I felt that I could not go out of this room without assuming the moral responsibility which has been put before us in such firm and certain tones. There is absolutely no doubt in my mind that this country is ready to-day to take the initial steps in social progress so ably outlined, and I am more than pleased to know from one who is an authority on the question that the world is looking to this country to solve this problem. Here and here only can it be fought out, and here and here only can it be ended as it must be finally in the progress of humanity.

I have thought along this line for many years and I have wondered why it was, first as the employer of a few men, that there was that lack of harmony which common sense indicated there should be. I often wondered when I was superintendent of a small plant why it was that I went to my home to devise ways and means for

earning money and distributing it among my employees on Saturday and that they should go from my shop sometimes to study means to prevent the progress of that very work. It seemed an unnatural condition. It seemed a condition which arose from some cause that I could not understand. And I have often tried to solve it. To my mind it goes back to that natural process which underlies every beautiful piece of nature and every mechanism of nature. It is the process of units. We have forgotten to watch the units that go to make up a great body and a great proposition of any kind. I have with perfect freedom, talking with some of the gentlemen here who represent the great labor unions of this country, said, and I believe it, that the struggle to-day is the struggle to understand the progress that is going on in commercial and mechanical circles which is changing the unit by which everything must be measured. There was a time I believe when the unit of time was the measure of work. There was a time when the unit of energy was the measure of work. But to-day if one thing is certain it is that the unit of results is the only measure that can be applied to the workman, to the employer, or to the citizen.

We are in an age when units are changing. We are in an age when combined effort is the only means of success. And no matter what our short-sighted views sometimes may develop when we look at progress and think it is eliminating the units, I believe the unit is just beginning to work, I believe the unit to-day which is going to establish the standard of results as the measure of every man is going to make every man a better man. It can't help but do it. For that reason years ago in my own industry, which is the manufacturing of stoves, a few of

our leading manufacturers conceived the idea that we must become a unit to accomplish any result from our standpoint. Since the Iron Moulders' Union, which was then and is now an ably managed, conservative body, was approaching every question of labor from a standpoint of units which represented to it all men employed in that industry—we felt we could only meet it by a standard of co-operation of the employer. We organized an association at that time, and it was a great many years ago, for defence. We began that association to defend our business against the aggressions of the Iron Moulders' Union. We worked along those lines two or three years, fighting each issue as it arose. But we very soon learned that our point was wrong, that our approach to the question was wrong, and we changed the policy of that Association to one of negotiation, to that of an association which should from our standpoint show the men who were in our employ the condition of affairs, should learn the condition of their lives and industries, and should co-operate upon a line which would produce the best results. The result of it was that for eleven years there has not been a strike in the stove industry. Why? We have approached that subject through representatives of each body, and if there is anything valuable in this country to-day it is the representative system, so long as those representatives are well qualified men to carry out their purposes.

We meet yearly. We confer upon the condition of business and the wages. Those wages are settled each year for a year, and I am proud to say that they never for one moment have been violated on either side of the contract (applause), that no contract ever made with the Iron Moulders' Union by our Association has been

violated by either party. And I don't think that I am making unfair use of trade secrets when I say that in 1893 and in 1894, when all of you who were manufacturers and workmen know the condition of affairs, when it was absolutely certain from the employers' standpoint that we could not successfully market two thirds of our products, a condition which always terminates in a reduction of price by the unwise manufacturer, the representatives of the Iron Moulders' Union came into our conference and asked for a reduction in their wages. They asked it because they believed it would make progress, they believed it would enable us to market our products. They believed it was the best thing to do from their standpoint. And I want to emphasize the point that it was the result of their consideration of conditions which made them believe that a reduction of wages would give them more days' work perhaps and better results. We showed them from our standpoint the falsity of that proposition. The result was there was no reduction in wages. The result was there was no reduction in the selling price of our products. We all suffered alike,—the manufacturer lost upon his investment by reason of the decreased output, the workman lost in the annual summing up of his year's work, but we lost equally. I only cite this fact to show that there was a point upon which our united efforts brought about a result beneficial to both, and in support of what the gentleman has said, that there can be no loss in any way by a united effort to produce harmonious relations between the employer and the employee. (Applause.)

MR. STRAUS: Gentlemen of the conference, there are



several other gentlemen we wish to hear from this morning, but I wish to tell you as a matter of information that when our conference of this morning ends it will be until to-morrow morning, when we will have with us I hope every gentleman who is present now and also the national labor leaders of the country, Mr. Gompers, Mr. Mitchell, Mr. Fox, Mr. Keefe, Mr. Shaffer, and a number of others, who have adjourned their meeting at Scranton for the purpose of being present here to-day, but unfortunately, on account of the delay of the trains by reason of the storm, they were not able to arrive in time for this morning's session.

I think I also can say further that there will be some material results from this conference, and one of these results I think I can prophesy will be a working Executive Committee composed equally from the ranks of labor and from the ranks of capital, together with a delegation or a representation from what may be called the great public. That Executive Committee will be a permanent body ready to take up any question of national importance between capital and labor wherever and whenever it may arise. That body, being permanent, can be called into action at any moment and will be representative of all the interests involved, one that is not appointed for any special occasion but appointed for all occasions. And I think when that committee is selected it will be seen that it will be representative in the largeness of the interests it stands for and the brains that represent those large interests.

I shall now ask Mr. John Phillips, the Secretary of the National Hatters' Union, to address us. I know Mr. Phillips is averse to speaking in public, but I am sure upon an occasion like this he will give us the benefit

of his thoughts upon the subjects with which he is conversant. I call upon Mr. John Phillips.

MR. JOHN PHILLIPS: Mr. Chairman and gentlemen—Unfortunately for me and also for you, the elements have conspired to prevent the attendance of the prominent labor leaders. I am not a prominent labor leader by any means. I wish to tell you that in advance. And if the prominent labor leaders were here, I would not be called on to say a word. (Laughter.) Your Secretary came here and asked me to say a word on the labor side of the question. I made no preparation to speak here; I came to listen—sent here by the National Executive Board of the United Hatters of North America to represent them at this meeting.

Having been a member of Bishop Potter's Board of Mediation and Conciliation for years, I feel that I am at home in a meeting where mediation, conciliation, and arbitration are to be the ruling subjects. Bishop Potter's Board of Mediation and Conciliation seems to have fallen into what a distinguished gentleman at one time described as "innocuous desuetude." But I like to be where mediation, conciliation, and arbitration are to be talked of.

The organization to which I belong believes firmly in mediation and arbitration and conciliation. They are totally averse to strikes, totally averse to men quitting their work at any time for any cause, be it trivial or serious. They believe in having small committees in shops and in districts to settle the troubles, and keep the men at work. There is nothing gained by the men quitting their work, we believe. (Applause.)

We have a system in our trade that when trouble occurs in any factory, the men stay at their work.

There is a committee of three in the factory who take up the question, and they go off by themselves and take the testimony of the men, and then they hear the manufacturer's side of the question, and they settle the trouble. The men keep on with their work and earn their money, instead of going out on strike. (Applause.) We have educated our people up to the standard that they must not quit their work on any pretext, and a strike cannot take place unless by the consent of the General Executive Board, consisting of the four executive officers, and until they meet and investigate the matter no man is allowed to quit his work.

We find this a great improvement on the old system of quitting work. All troubles must be referred to the Shop Committee, and if they cannot settle with the employer they then call in the Local Executive Board, which consists of four officers of the Local Association, and if they cannot settle the matter it is referred to the National Executive Board, and their decision is final. We very seldom have a strike. It is a last resort, as our National Executive Board will not permit a strike unless all other means fail.

We make contracts with our employers about every six months. We arrange our wages for the ensuing six months. The manufacturer then knows what he has to pay for his work. That contract is signed by a committee of the men employed at the factory, and the manufacturer puts his name to it, and when that is tacked up on the wall its provisions stand until the date expires. No man can break it on either side. We believe in living up to our contracts at all hazards.

There was a manufacturer in our trade in this city, Mr. Robert Dunlap, who, I am sorry, is now dead. If

all the manufacturers in our trade had been like him we would not have needed any hatters' union. (Applause.) We would not need any labor organizations at all in our trade. He told me on one occasion that he would never have arbitration in his factory. I quote his exact words, as far as I can remember.

"If I have any trouble in my factory and I cannot settle it in about fifteen minutes, with a committee of three level-headed men, I will give up the business. If we sit down and we mean business, and mean to treat each other fairly and honestly and justly, we will settle our troubles inside of fifteen minutes."

And it is true. He could do it. He could talk to the men, and there would be a giving way on both sides, and the angles and the sharp corners would be rounded off, and by and by it would come out all right. (Laughter.) Any other way is no use, in the opinion of the trade I represent. We sit down with the employers on terms of equality, and talk our troubles over, and if an employer wants to make a contract for two or three years we will make it, if it is a good one, because we know after we sign that contract we will have peace in that factory for two or three years. And that is what we want, peace and fraternity and good feeling.

Before I sit down I want to say something, which it would be criminal for me to leave the room without saying. I always had an opinion that Senator Hanna was antagonistic to organized labor. (Laughter.) I received a communication the other day from a McKinley Memorial Committee in reference to a subscription for a monument, and I wrote back to the person from whom I received it, that I would lay the matter before the General Executive Board, but I said, "I

regret very much that on your list of trustees I find some enemies of organized labor." I also said, "I regret to say that I find on your printed matter there is no label of the Printers' Union, and I can't recognize it on that account." I had Senator Hanna in mind, when I wrote that letter, as one of the enemies of organized labor. (Laughter.)

Now, Mr. Chairman and gentlemen, I am always open to conviction. I am always pleased to be set right when I am wrong. I was astonished to hear Senator Hanna say what he did, and hereafter I will have a different opinion of him. (Applause.) I listened with pleasure to his remarks; he spoke with sincerity, and I am willing at any time to join hands with anybody and everybody who is striving for industrial peace.

Apologizing for my crude and disconnected remarks, and hoping that some prominent labor advocates will be heard later on, I close by thanking you for your attention. (Applause.)

MR. STRAUS: Gentlemen, the last speaker needs no comment. He is his own eloquent commentator, and we thank him for the wisdom that he has given us.

We have here several important representatives of labor and I think that nothing has been more damaging to the hat trade or to the wearers of hats than the products of the business that is represented by the gentleman upon whom I will next call. I will call upon the President of the New York Bricklayers' Association (laughter), Mr. John J. Donnelly.

MR. JOHN J. DONNELLY: I want to say to you I have to make almost the same statement that my friend Mr. Phillips made, although he is connected with a different

class of business altogether that does not come in contact or connection with us; I say for the members of the organization I represent that at any time they attempt to buy a hat they always take particular care to look at the band inside and see that it has the hatters' union label.

Some seventeen or eighteen years ago in this large city the bricklayers were similar to quite a number of other trades. They would leave their tools on the scaffold or put them in the tool-house at six o'clock in the evening, go to their homes, come out the next morning, and they didn't know whether they would go to work or not. Strife existed between the members of the organization and the individual employers, who were not banded together at that time, as the Mason Builders' Association of New York City has since become. One of the greatest strikes, I think, that ever occurred in this town was on the 21st of July, 1884. That strike lasted nine months. It lasted six months before we made an effort to call a conference. I am very happy and proud to say that for sixteen years the Mason Builders of this city and the Bricklayers' Union have stood as one body, intact. No strikes have ever taken place, whether for the most trivial question or the most important, until last spring. There was a misunderstanding relative to a certain building now being erected and not quite finished in this town, and that nearly culminated in a general strike and a lockout. In fact there was a lockout started but some of the wise heads nipped it in the bud before it went ten days. The feeling to-day between the Mason Builders and the Bricklayers' Union of this city is just the same as it has been for the last seventeen years.

I want to state that as far as our organization is concerned we have benefited considerably by arbitration,

and as long as there is a Bricklayers' Union in this city and I have anything to do in connection with it I will always try to have that relation maintained. I have never done anything but look after the interests of the employer as well as the employee during the eleven years that I have been associated with the body. I hope that every man who attends this conference who is not at peace with his employer will take heed from these proceedings, and make good will prevail. (Applause.)

MR. STRAUS: We thank Mr. Donnelly for his remarks.

Gentlemen, the more we hear upon this subject the more we find that a large portion of the difficulties results from misunderstandings. There is Mr. Phillips, who has just informed us of his misunderstanding as to the position of Mark Hanna. Now here is Mr. Donnelly who informs us that the only difficulty that has arisen for a long time between the masons and the bricklayers was also largely the result of a misunderstanding. That is what we are here for, to clear away these misunderstandings.

I have the pleasure of calling next upon Mr. James Ryan, the Vice-President of the New York State Federation of Labor, and the sixth Vice-President of the Typographical Union.

MR. JAMES RYAN: I feel it a great privilege to have the opportunity of addressing such a body of gentlemen as are here this morning, employers and clergymen, and high dignitaries of the church. I am glad to hear the sentiments expressed of harmony and good will—not only expressed but echoed by applause.

I must say that Mr. Mark Hanna by his remarks to-day

will go far to promote good feeling between working men's organizations and their employers, will go farther than any sentiments we have heard during the period of fifty years in our experience with union labor (applause). I will show you the difference between this meeting and meetings I attended fifty years ago when I first joined a trade-union. Then I was invited to hear men talk who would tell us what we were. And there was a vast difference in the sentiments. We are up against practical men now, and these gentlemen who have spoken this morning are desirous and anxious, without bringing in scientific problems to bear upon the matter, to see labor and capital get together. Let me give you a sample of the advice that was given us at that time. Professor Collins, of Oxford:

"You have no right to be outside the gates of your factory waiting for the bell to ring to take you inside. You be at your work bench when the bell rings and prepared to go on with your work. And while you are at your work produce all you can. Produce it as well as you can and as much as you can. Don't waste your time watching the clock. Don't turn your heads around to look at the clock to see how the time is going. When the time is to quit your employer knows that better than you and he will arrange things, he will communicate the time to quit; and don't be in too much of a hurry to quit then. When you meet outside to talk over things, don't discuss your hours of labor and your wages, what they should be. Your employer understands the markets and he knows them better than you do, and if you leave the hours of labor and the wages to your employer he knows how much he can afford to pay you, and it is much better to do that than to form combinations."

We objected to that pabulum. We told our employers that we considered the business could afford to pay better wages than we were receiving. The next was a man who ran a printing-office in London. When I first went



to work for him they had two hand presses. Now they have twenty-two steam presses. I was a steam printer. And I was deputized to go to him and ask him to give us nine hours' work without reduction of pay. He said to me: "Can you give me any good reason why I should pay you ten hours for nine hours' work." "Yes, sir, I believe I can." "Let me hear it." "The profit you make out of the business; you can afford to pay that." "What has my profit to do with you?" "Very much. When I worked for you before you had two hand presses. You have now twenty-two steam presses and many hundred people at work when you had only nine or ten. You never made that out of your losses. You made it out of your profits." He gave in to us. On the other hand, I call your attention to the advancement which will accrue to industry from the co-operation of the laborers and the capitalists, the employers here to-day, and I wish to echo the sentiments expressed by Mr. Mark Hanna. You will socially improve, you will come together in harmony, and that is more than any other improvement, more than any other ism. I contend that trade-unionism has raised working men more than any other institution in the world. If we have fought with employers we have worked hand in hand with them. I have always objected to the lazy man. Our union is based, as Mr. Phillips has told you, upon a workman keeping his contract. If a man gives me one dollar a day or five dollars a day and I have agreed to take it I am bound to work for that to the best of my ability. But I have a right to try to get twenty-five if I can.

But the sentiments of Mark Hanna in closing his address have been mine all through life. The more we unite and combine our efforts the sooner we reach the

higher plane of society. This is an effort in the right direction; it will improve us socially and morally. (Applause.)

MR. STRAUS: Gentlemen, we have in this room probably—and I think I may leave off the word “probably”—the greatest example of rise from the ranks of labor to the ranks of employer of labor in this country, and perhaps in any other country, and I am going to call upon him, as he is a man in touch, has been in touch, and, I have no doubt, his heart is still in touch with the ranks of labor from the very bottom to the very top, and with every rank of the employer of labor from the smallest to the very largest. I shall call upon Mr. Charles M. Schwab, the President of the United States Steel Corporation, for some remarks.

MR. CHARLES M. SCHWAB: Mr. President and gentlemen—In coming here this morning it was with no intention to make any remarks. My attitude upon the labor question is too well known to need any discussion here. But I did come here, as Bishop Potter well expresses it, to see the other side of the shield if I can. Any man who is as largely and as deeply interested in labor as I am must try to see the other side of the shield, to see the question of labor from the employees’ as well as the employers’ point of view, and I am here for that purpose this morning. I am here with a mind open to conviction, with a mind to receive anything that is fair, with a mind to do that which is fair to bring about harmony between capital and labor. (Applause.)

It is a selfish motive in a way. I realize that the prosperity of the United States is going to advance more rapidly. It is bound to advance at any rate. But it is

going to advance much more rapidly when this happy solution has been reached. The decadence of trade in many of the old countries is due, as I expressed it to a large body of English labor people and manufacturers a short time ago, primarily of all things to the attitude which labor has taken with reference to capital. It is the most important thing with reference to the loss of trade in Great Britain to-day. I think all economists writing on this subject will agree to that. I don't mean to say that employers have not been arbitrary and radical. They have. On the other hand, I think that labor has been just as arbitrary and radical. And it is to remedy and conciliate these differences that we ought to get together.

There is one point that I want to impress upon you. I am not going to make a speech. I can do better probably when it comes to giving ideas to this conference rather than talk about theories. But there is one point we must bear in mind,—that labor unions will never succeed, as trusts never succeeded, that attempt to restrict the output or attempt to put any restriction upon trade in general. These great trusts that are formed in a business way to control the output of any commodity, to raise its price, all have failed and all will fail. A trust will succeed where there are motives of consolidation for economy's sake and for regulating trade generally. And the laborer must take a similar position. Labor must not restrict the output. That is a fundamental principle. And I am sorry to say that every labor organization with which I have had experience in the past has had as its foundation the restriction of the output. It is that principle which is putting English commerce and English trade in the bad position

in which they are to-day; and we owe it to America's greatness in commerce that these great business aggregations do not become trusts and that the labor unions do not become a trust of time and output.

I hope that this conference will result in good. I have said more than I expected to say. I shall speak frankly whenever I do speak. I am opposed to labor organization as it is to-day organized. I am sorry I did not have Mr. Phillips and such gentlemen to deal with. I think that only good will come from a frank and naked discussion of the truth and therefore I give you these views. I should not be opposed to organized labor if organized on correct principles. It is a mistaken idea to suppose that manufacturers are opposed to labor unions *per se*. They are opposed to them as they do exist, not with labor organizations who keep their contracts, not with labor organizations who will not restrict the output, not with labor organizations who have the good of the trade they represent at heart.

I have spoken frankly, I hope not offensively. I come here to be convinced of anything that will result to the good of the workmen and their employers, because their fortunes and their prosperity are mutual and must stand together. (Applause.)

MR. STRAUS: I am sure we are all thankful for the frankness of Mr. Schwab. I can say that he, like all the other speakers here to-day, has spoken upon the spur of the moment and I trust that he will be with us throughout these deliberations, because we want his guidance and his wisdom as we want the guidance and the wisdom of the great leaders on the other side.

I shall now call upon a gentleman who has come in

touch with labor in another field. His field has been devoted to the guidance and care of the children of laborers, the sons and the daughters of laborers in the crowded districts of our city, and his name is known to you by his works. I call upon Mr. James B. Reynolds, the head-worker of the University Settlement of this city.

MR. JAMES B. REYNOLDS: Mr. Chairman and gentlemen—Senator Hanna, in his remarks, stated that he became convinced of the value of labor organizations through his experience with a strong labor organization. I first became convinced of the value of trade-unions through my contact with a weak organization. This weakness taught me to see how many of the misfortunes of its members might be overcome if the organization were stronger. I have since come to test the intelligence of a trade by seeing whether the workmen in that trade were well and strongly organized or not. If they were strongly organized, the workmen were able and usually disposed to keep their contracts, as they would not if the organization were weak. In other words, the strong organization is not only the organization which contributes most to its members, but it is the one with which the employer can most advantageously deal. The strike is usually the sign of a weak organization. Strong organizations attain their ends by the pressure of their strength and the respect which that strength commands from their opponents. It enables them to meet their opponents on equal terms, and their own desire not to injure their prestige or deplete their carefully accumulated resources makes such an organization conservative and reasonable.

It has been stated this morning that misunderstandings

account for most of the difficulties which provoke labor disputes. I believe this statement to be true.

The most fruitful cause of misunderstandings is separation. If the right parties could come together at the right time, nine out of ten strikes would be averted. I understand that the object of this organization is to bring the right parties together at the right time. The right time for us is the time preceding the acute difficulties. The success of our efforts must depend upon our wisdom in anticipating the acute stage of the difficulties which we attempt to adjust.

One position occupied by laboring men is, in my mind, strangely misunderstood by employers as a class. I called once upon one of the largest employers of this city, and he said to me, "No one needs to come to see me about my men. I am always ready to see my men myself." I asked him to whom a complaint presented by one of his men would be referred for investigation. He replied, "To the manager of the division in which the complainant labors." I said, "Is not the manager the immediate superintendent of that employee, and would it not be a criticism of the manager if you were to sustain the complaint?" He replied that it would. I then said, "Can you not see that it is not wise for the man to complain to you of his immediate superior, with whom it is necessary for him to keep on good terms? You may treat his complaint favorably and remedy his misfortune, but six months later you will not understand why your manager will say to you that this man is a troublesome fellow and that you had better get rid of him, but the laborer knows what will happen in such a case and will not if he can help it plan for his discharge by offending his immediate supervisor."

It is a curious fact that while labor, realizing its needs, has organized and secured its regular representatives, capital has not yet met labor with proper representatives. Capital needs organization as much as labor. In the garment-making trade, with which I am somewhat familiar, the exciting cause of labor difficulties, and one of the most frequent obstacles in the settlement of such difficulties, is the lack of organization of the employers. The greatest need of capital therefore, in my opinion, if it be seeking to promote industrial peace, is, first, organization, and, second, the procurement of proper representatives. I suppose that capital would object to having a representative who might be called a "walking delegate," but if it were to have a representative graced by the title of adjuster, whose business it should be to "scent danger from afar," know when to recommend just concessions, and how to demonstrate the impossibility of other concessions to the satisfaction of reasonable representatives of labor, an immense contribution would be made to industrial peace.

The development of the wise and just adjuster then is my final suggestion for the consideration of this gathering.

MR. STRAUS: I will call upon one more gentleman before we adjourn our session of to-day, and I wish to repeat that when we do adjourn we adjourn to half-past ten o'clock to-morrow morning, and I wish to say that we propose to effect a practical working machinery for promoting some of the objects spoken of here to-day. I call upon Mr. Marcus M. Marks, President of the National Clothiers' Association.

MR. MARCUS M. MARKS: Mr. Chairman and gentlemen—The noble sentiments that have been expressed

to-day are certainly encouraging as a basis for tangible work to be accomplished later by active committees. In themselves these generalities, noble though they may be, accomplish little beyond providing an atmosphere for the proper development of practical effort. Theoretically, our problem is solved before we begin to consider it. There is no question at all that labor and capital mean well toward each other. The general sentiment among manufacturers is that their laboring men should live in a proper way, have good wages and reasonably short hours, for their own sakes and for their employers' best interests. On the other hand, I feel sure that most laboring men mean to serve their employers as well as they can for the best interests of the trade. But misunderstandings bring about the conflict.

If the shield is gold on one side as viewed by the employer, and silver on the other side as viewed by the employee, it should be the province of this convention to appoint an executive committee so broad that it can see both sides of the shield clearly and fairly and harmonize the points of view. For the difference is principally imaginary and depends upon the color of the glass one looks through. What is good for the employee is good for the employer, and *vice versa*. However, the limitation of what a good bright workman should do in the allotted working hours of a day by a rule which brings him down to the level of the slow or even the average workman, does harm in both directions. It keeps the superior workman from developing into an employer, and puts a damper on his proper ambition. We should encourage the best among employees to raise themselves from the ranks and become employers themselves. (Applause.)



One of the speakers said that the labor problem must be solved at once, and once for all. I maintain that it never will be solved, and never should be solved, except by evolution. There should always be the hope for better things for the workman, his constant improvement and elevation. It will be the work of a lifetime of Senator Hanna and his associates, by keeping in touch with labor and capital, to endeavor to harmonize differences, and viewing the situation without prejudice, to point out the fair and the right. It will require coolness, courage, and patience. (Applause.)

MR. STRAUS: Gentlemen, I thank you for your attendance this morning, and bespeak your further attendance. The session of this morning is adjourned.

CONTINUED MEETING, TUESDAY, DECEMBER 17, 1901,  
AT 10.30 A.M.

MR. STRAUS: Gentlemen of the conference, or, to borrow a phrase from a simile of the eloquent address of Bishop Potter of yesterday, may I say, knights of the gold and knights of the silver shield, may the knights of each side see the other side. I think I cannot begin this second session of this conference with a better omen or with better ideas than are contained in the few words taken from the message of President Roosevelt, which I will now read: "When all is said and done, the power of brotherhood remains as the indispensable prerequisite to success in the kind of national life for which we strive."

I shall not detain you with any remarks of my own because there are men here who are in touch with the great problems that we have before us and who will speak not

only from knowledge but from an intimate experience. I shall have the pleasure of calling upon a gentleman who has made a careful study under the supervision of the Government of the United States of these problems, a man who is known to you by his excellent work in that field. I shall call upon Mr. E. D. Durand, Secretary of the United States Industrial Commission.

MR. E. D. DURAND: Gentlemen—I cannot claim exactly to be a knight of the golden shield, since unfortunately I am not a capitalist, and I do not know but some of my good friends of the American Federation of Labor might deny to me the right even to be a knight of the silver shield, claiming that I am not a working man. But I am interested in these problems which the working men and the capitalists, the employers and the employees, have to face, and I am connected with a body, the United States Industrial Commission, which has taken a profound interest in this subject of the means of promoting industrial peace, and has given as much attention to it in its various investigations as to almost any other single subject.

Some of the publications of the Commission may be of interest to those who are anxious to know further details with reference to existing methods of adjusting the relations between employers and employees. The Commission has had before it representatives of a great many of the labor organizations and the organizations of capital which have been most successful in their dealings with one another and in preventing strikes and lockouts. It has also collected in one volume the published material of these various organizations relating to their means of securing peaceful relations. Copies of many industrial agreements fixing the conditions of labor have been

obtained, and a very large amount of information has been published.<sup>1</sup>

Two or three general conclusions seem to grow out of the facts thus collected, as to the best methods which can be employed for adjusting the relations of employers and employees. I think one of the most fundamental things which can be borne in mind is a recognition of the distinction between the two great classes of disputes or differences which have to be adjusted. The one class has to do with general matters, the other with specific and less important matters. The one has to do with the general terms of the labor contract, with the rate of wages, the hours, the general conditions under which the work shall be performed. Disputes of the other class are specific and temporary; they are largely differences of interpretation as to the labor contract; they often arise from misunderstandings merely.

Now, if you recognize these distinct classes of differences, you can readily see that in many cases a distinct machinery should be provided for settling each class. And those systems of "arbitration," if you please to use that word in a very broad sense, which are most successful in the United States are those which do recognize this difference between the classes of disputes.

The first class of disputes, the general matters, are proper subjects for negotiation directly between individual employers, or organizations of employers, and organizations of employees; and, in general, for such direct negotiation only. They are proper subjects for what some people have termed "collective bargaining." Few who have had experience or who have studied the subject believe that, unless in the most extreme

<sup>1</sup> *Reports of the Industrial Commission*, vol. xvii.

instances, these general questions should be decided by persons outside of the trade, and unfamiliar with its conditions. They cannot justly be decided by the arbitrary decree of the employer, nor should labor organizations dictate without consulting the employer's interest. The general labor contract is a thing which both sides must agree upon as nearly as possible. Just as two corporations which have business matters to settle come together and strike a bargain, so in some of the leading industries of the country, the great employer or organization of employers and the representatives of the employees come together, usually once each year, and strike a bargain. They negotiate, they meet one another face to face and thrash out a compromise. I think no phrase is more accurate to describe this practice than "collective bargaining." The word "conciliate" is often used and is perhaps fairly satisfactory. Certainly it is not arbitration in the strict sense. One often hears employers and employees alike say they are opposed to arbitration. When the statement is sounded it is usually found that they are merely opposed to calling in any one not directly concerned, perhaps entirely outside of the trade, to decide the question, and they are not opposed to negotiations directly between the interested parties. Sometimes in a particular strike you hear there is a refusal to arbitrate. That means generally a refusal to call in somebody from the outside. A refusal on the part of fair-minded employers and employees to get together and negotiate is much less common.

Collective bargaining then, rather than arbitration strictly, is the method by which ordinarily the general questions relating to the conditions of labor are most satisfactorily settled. By this method employers and

employees in a great many trades in the United States succeed in reaching from year to year, or from time to time, agreements concerning the conditions of labor. Peaceful, businesslike negotiation, without strikes, without lockouts, without the immense losses which often result from strikes and lockouts,—that is the thing in a nutshell.

Let a number of representatives of the two parties in interest get together, let them discuss matters frankly and in a friendly manner, and after a time—it may be perhaps quite a long time—a general agreement is almost sure to be reached. Each side comes to understand and respect the other; and each hesitates to encounter the losses of cessation of employment by being too insistent on its demands.

From the fact that these general questions are best settled by a system of bargaining, and not by a system of judicial decision and arbitration, it follows that a successful result can be brought about, usually, only where you have ultimately a practically unanimous agreement of all representatives of both sides as the result of negotiation. It will not do to get together a half-dozen employers and a half-dozen employees, and let them decide by bare majority vote what shall be the conditions of labor in an entire trade; so that, for example, if one of the workmen happens to be over-persuaded to join the side of the employers, he can cast the die and determine the wages and hours of perhaps thousands of his fellows for a year. As a matter of practice that method will not work. The two groups representing capital and labor ought rather to debate, discuss, work over the terms, thresh out the question, until they reach a unanimous agreement; and that, as a matter of fact, is the ordinary practice in this regard in the United States.

The proper scope of a system of collective bargaining, its territorial extent, depends largely on the nature of the trade concerned. Obviously it is desirable that, so far as possible, the conditions of labor shall be made approximately uniform over an entire competitive field.

If the employers of one section of the country are competing in a common market with the employers of another section, it is desirable that the employers and the employees of the two sections should meet with one another and adjust the conditions of the labor contract on an equitable basis; otherwise the employers in one locality will perhaps be tempted to cut wages, or otherwise to make the conditions of labor worse, in order to meet the competition or the fear of competition from another section. The wider the field of competition, the wider should be the system of collective bargaining. We find, therefore, in a number of trades in the United States, national organizations of employers and national organizations of employees which enter into wide-reaching agreements, fixing the most important conditions of labor, but leaving the details to be settled locally. On the other hand, where, as in the building trades, competition is largely confined to a single city or small district, local agreements are more customary, and are found to work satisfactorily.

It is obvious that to have success in this system of collective bargaining there must be organization,—organization on both sides. The necessity of organization to give the working men any degree of strength in their dealings with employers need not be emphasized before such a body as this. There are many representatives of employers, moreover, who will insist that one of the chief difficulties in the past in bringing about peaceful settle-

ments has been the lack of organized collective action on the part of the employers. They have been slower to organize than working men. They have often been disposed to compete with one another, if need be, by crowding the workers more closely, rather than to agree in adjusting the conditions of labor on an equal basis. Strong organization, then, of both employers and employees is highly desirable, and becomes absolutely essential if the system of collective bargaining is to be spread over a large territory. In the absence of such organization, thoroughly representative of the trade, the agreements reached will not truly represent the great body of employers and employees, and competition from outside will threaten the very existence of the system. Moreover, without strong organization agreements will not be effectively carried out, nor be made binding upon even the employers and employees who are parties to them.

One other thought grows directly out of a recognition of the essential nature of the collective bargaining process. To insure the best results, it is desirable to have a comparatively large representation of the parties at interest in driving the bargain, provided of course the number of employers and employees concerned is large. There have been cases where an attempt was made to reach an agreement, affecting scores of establishments and thousands of men, by negotiations between two or three officers on the one side and the other. But such attempts seldom succeed very well. Large representation of the parties is needed to bring out the real desires, the real interests, of the great mass of employers and employees who are to be so profoundly affected by the agreement. Moreover, if you have a small number of

conferees only, the reasons why the various terms of the agreement have been reached are not understood generally by all concerned, and dissatisfaction with them is likely to arise. Great stress was laid yesterday on the thought that a spirit of brotherhood is necessary, and also familiarity with the conditions on the one side and the other, in order to promote industrial peace. Surely nothing could be more helpful in promoting that brotherhood and that familiarity than to have a considerable number of employers and employees come together from time to time and negotiate as to the terms of the labor contract. Details of the industrial agreement may be referred to smaller committees, but the general relations will certainly be more peaceful if meetings of considerable size ultimately decide the main questions. In the bituminous coal industry the joint interstate conference consists often of one hundred and fifty employers and five hundred on the other side, with a smaller "scale committee" which reports to it. After meeting a number of days the delegates reach an agreement and separate with a great deal of amity, and the friendly attitude and understanding of one another's position which those large numbers of men take back to their respective localities does very much to prevent violations of the agreement and local disputes.

One word with reference to the differences of the second class above distinguished, the minor disputes, which in many cases are merely misunderstandings that could have been removed if there had been any machinery for the employer and employee to get together. Those differences ought ordinarily to be settled by a different process from that by which the general collective bargain is reached. To be sure, where a good



system of industrial agreements exists, the minor disputes are far less likely to arise; but they will arise occasionally, and when they do there ought to be machinery established and ready so that there can be a prompt and peaceful adjustment. Such local shop committees as Mr. Phillips has described in the hatters' trade are very valuable, certainly, for negotiation between the individual employer and the men of the particular shop. To give any promise of success in settling such minor difficulties, the employer must, of course, be prepared to meet his men frankly, and the employees must be ready to confer peaceably. Then there may be local committees of organizations of employees, and of organizations of employers as well, representing the city or the district. Joint committees, boards of arbitration as they are usually called, are especially desirable, and should preferably be permanently established. To these boards can be appealed differences which cannot be settled by the shop committees. Finally, where a national system of collective bargaining exists, there may well be joint arbitration committees representing the national organizations.

Arbitration committees, whether local or national, are often, and may properly enough be, empowered to render binding decisions, and, if need be, as a last resort, to call in some one outside the trade to decide a point at issue. This is arbitration proper, a judicial decision, essentially different from bargaining. But in general such boards will not have to render authoritative decisions nor to call in outside umpires; they can conciliate, mediate, and lead the parties into agreement with reference to these minor disputes. In fact, usually, if there be a committee of the working men which is regularly

recognized by the employer in a particular shop, a mere conciliation directly between them will settle the matter in the first instance.

If then we can have a system of collective bargaining, more or less formal, conducted by large committees or conferences of employers and employees, supplemented by a system of conciliation and arbitration as to the minor disputes, each system worked out in proper relation to the conditions of the trade, we shall have accomplished a great deal toward promoting industrial peace. And I sincerely hope that this conference may result in a better understanding of the actual methods which have been heretofore so successfully employed in many of the trades, and that it may also promote a spirit of harmony which will make for the rapid extension of these practices.

MR. STRAUS: I shall now have the pleasure of calling upon the representative, the chief representative, of an industry in which our country has pre-eminently excelled, an industry which was first developed here and in which we are surpassing perhaps the entire world, so that to-day on the banks of the Nile, in the ears of the Sphinx, is heard the sound of this industry—I mean the locomotive. I shall call upon the gentleman who represents a section of that trade as the Grand Master of its Brotherhood, and who represents also a million workers in that sphere of labor. I call upon Mr. Frank P. Sargent, Grand Master of the Brotherhood of Locomotive Firemen, from Peoria, Ill.

MR. FRANK P. SARGENT: Mr. Chairman and gentlemen of the conference—I regret that it was not my privilege to be with you yesterday and listen to the very

able addresses that were made by the representatives of capital, men high in official station, and those who have made for many years a study of economics. But unfortunately I was subject to the elements, confined in the Adirondacks, and unable to escape. I however was privileged last night after my arrival to read the extended report given by the press of New York, and there to gather some knowledge of the doings of yesterday's session.

To me this is a most pleasant occasion when representatives of capital and of toil may sit down together and dispassionately discuss one of the greatest topics that presents itself to-day to the American people. I believe that in this meeting every one is privileged to express his honest convictions, and that by so doing he will not engender any ill-will, but rather gain respect, because he who has convictions and is fearless in the expression of them we cannot help but admire, even though we may disagree with him. It becomes us, if in opposition to the declaration made, to try by logical argument to convince our opponent of the error of his judgment and to win him over if we can. Hence, as I read the report of yesterday's session and learn of the expression of a distinguished representative of capital who passes some severe criticism upon the present methods of the organizations of labor, I do not lose any respect for the gentleman. I rather admire him for his frankness. It then becomes our duty in speaking of labor to try to convince him that he is misinformed, that he has not drawn the correct conclusions, that organized labor in its many ramifications to-day is not a menace to capital, is not in defiance of the law, but rather is one of the strong influences that is at work to maintain one of the grandest republics the world ever saw. (Applause.)

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Out of a meeting of this character can only come great good, not alone to the man who toils and by the sweat of his brow earns a livelihood for himself and his little ones, but for all our people and our country's welfare, if we are true to ourselves and the interests we hold dear. Hence, as I see this body gathered here this morning, and as I recognize in this throng men eminent, influential, and learned, as well as those whose daily life takes them among the toilers of our land, who live as they live, I cannot help but believe that we are beginning a work here that will prove more beneficial to the interests of our country than any work that has ever been begun in all the years of our existence. (Applause.) Why? Because we are about to put ourselves in a position to understand each other, and understand each other aright. We are taking down the barriers that have seemingly existed between us, and we are privileged to touch elbows, and to feel the thrill of brotherhood as it passes from mind to mind and hand to hand. We are privileged to learn more of the true relations which should exist between us, and by virtue of these associations, the people who go to make up our republic must of necessity be benefited. The trouble has been in the past that labor and capital have not been understood and their relations have not been properly defined.

Here this morning in my presence are the men who control capital. Right alongside of them sit the men who make it, create it. Without the hand of toil there would be no capital. Its creator is the man who works at the pick, at the scoop, or in the different trades of our nation. The man who controls it after it is thus created may be classed as the capitalist. But both are dependent upon each other. I care not how much wealth a man

may have, I care not what his influence may be, unless he has means to use that wealth, unless that capital which he has in his control can be put into circulation and utilized, what benefit is it to him? By virtue of the fact that there are avenues of trade through which that capital may circulate, that there are thousands upon thousands of men ready to use their hands as well as their brains in the investment of that capital, in the manufacturing industries, the railroad development, and all other great enterprises of which we are so proud, his capital becomes a benefit to him.

Therefore, I maintain that the true relation between the man who works with his hands as a toiler and the man who manipulates the finances is evident in their dependency one upon another. The distinguished gentleman who spoke from the platform yesterday, controlling as he does millions, must not forget the fact that were it not for the hand of toil at the furnaces and in the mines and shops and mills of the country, he would have very little to control or manipulate. (Applause.) Those things should not be forgotten. Hence, I place a high estimate on this convention, because it gives opportunity for understandings.

Organized labor in this country is no new introduction, no new institution. We have had organized labor for many years, and its influences have been seen and felt. I am but a novice in the labor movement, but my observations have convinced me that there are organizations of labor that are helpful, beneficial, and should be encouraged, and, thank God, they are encouraged by some of the broadest and most liberal men that this country has to-day in charge of its greatest commercial industries. I can speak particularly of the locomotive

firemen of this country, who, in 1873, in the discharge of their duty upon the locomotive, earned the princely sum of thirty-two dollars a month. There was no organization then. A fireman was privileged to work at the wages which were specified, so long as he desired to do so, or so long as his employer would give him the opportunity, but so far as having any privileges or rights such as he enjoys to-day, he did not. Organization came, not for the purpose of presuming to take control of the industry which he represented, but for the purpose of bringing into a solid community the interests represented, teaching locomotive firemen first that they should respect themselves, that they should be honest, upright, and reliable. When that fact had been established and the organization which represented their interests had shown to their employers that their purposes were sincere, that there was no hypocrisy hidden beneath their organization, but that its aim was to elevate themselves, to protect their families, and to advance their wages, they did not hesitate to grant recognition, and there was no hesitancy in seeking it. To-day the forty thousand locomotive firemen of this country who owe allegiance to the Brotherhood which represents their interests are enjoying a salary of more than double what they did in 1873; and I can point you to the personnel of the men of that calling the country over, with the responsible duties which they honorably discharge, and you can see for yourselves the influence of organization in that branch of labor.

To-day the locomotive firemen maintain the same principles of organization that they did when they first laid its foundation. They believe in giving a fair day's work for a fair day's pay, in discharging every re-

sponsibility that rests upon them, with an eye single to the success of their employer and themselves, believing that when they have done this they can stand on their feet, hold their heads erect, and consider themselves the peers of any man; and so they are if they are honest. (Applause.) They have no hesitancy in believing and declaring that there are great responsibilities resting upon the man who shovels the coal. They also realize that their employer has certain rights which they are bound to respect. Hence years ago they adopted the policy of sitting down and reasoning with their employer upon all matters that affected their interests. By virtue of that policy, upon nearly every railroad of the American continent to-day are mutual agreements existing between the firemen and the operating officers of the railroad company wherein their wages are specified, the number of hours which they shall be employed are designated, their rights and privileges are set forth; and above all else they hold sacred these agreements, and they believe that it is their bounden duty at all times to keep them in good faith with their employer. (Applause.)

Such has been the policy of the locomotive firemen, and such it is to-day. We realize, however, that in an organization like ours mistakes are sometimes made. Men sometimes become unreasonable in their demands. They imagine that there are grievances hard to bear, which, if they were permitted to exercise their own privileges, their own desires, might lead them into serious difficulty. It is the purpose of the Brotherhood to so educate its members that when a man feels that he has a grievance against his employer he shall first endeavor to adjust his grievance with the officers in immediate charge. If he fails, he then calls upon his



organization, and it becomes the duty of the committee, which exists on each system of railroads where the organization exerts its influence, to go to the operating officer and there endeavor, not by threat, not by demand, but by a conciliatory policy, to try to convince the gentleman that an injustice has been done, and by the influence of the organization to bring about such an understanding that the fireman's interests may be protected and the organization thereby advanced in the estimation of the managing officer of the corporation. The Brotherhood holds in reserve, as every organization of labor should, the right to resist oppression, to crush wrong, when reason will not prevail. The Brotherhood of Locomotive Firemen does not want it understood that it always bends the knee and bows the head to the edict of the one man in authority. Never. It has a certain amount of independence which at the proper time and place it tries to assert. But the history of the labor movement, and especially the history of the Brotherhood of Locomotive Firemen, will show for itself how many times it has been necessary to assert that independence. We have found in dealing with the representatives of capital on railroads, that if you go to the man in the right way, not with a club sticking out of your pocket, or with a chip on\*your shoulder, indicating that you would like to have it knocked off first, and if you approach him in a businesslike way, giving him to understand what you have to present, and that you know the merits of your case, that you are not presuming to induce him to do something that is radically wrong, that you have come to present to him a proposition backed up by reason, by facts, by figures, and by virtue of the strong influence which you command, you are going to win him over to your



way of thinking, or at least you are going to come somewhere near reaching conclusions that will be satisfactory.

That is the policy which locomotive firemen pursue. We believe to-day that if the representatives of capital, I don't care what position they may occupy or how many millions they have at their command, will adopt the same policy that prevails here this morning, which is so well represented in the minds and thoughts of the men assembled, when these questions arise that affect the interests of both labor and capital; that if, instead of standing at a distance and calling one another names, they come together and sit down as you gentlemen have sat down here to hear both sides of the question and to form your conclusions upon facts and good logical argument, industrial peace will come quickly. (Applause.)

I have just returned from Montreal. The Canadian Pacific Railway employs quite a number of firemen. Wages in Canada are not quite so high as they are in the United States. Although I have listened to the arguments presented by the gentleman from the Dominion making comparisons upon our condition over here, he did n't win me over to the idea that I would be better off if I lived in Canada, with all respect to Canada and its great industries. When we arrived in Montreal we found the representatives of our organization, the committee in the employ of the Canadian Pacific, and the officers, at a standstill. Firemen were asking for more pay. That was our business (laughter); and it is going to continue to be our business as long as locomotives grow larger, trains grow heavier, and the hardships put upon the firemen are greater. (Laughter.) Of course, being over there on that business, I did not hesitate to

use influence to have the Canadian Pacific unlock its treasury and dispense a little of its surplus earnings. The conference lasted from Wednesday morning until Saturday night. At the close of the conference on Saturday night an agreement was signed wherein the firemen were advanced nearly ten cents a day on every locomotive on the division that the committee was representing. (Applause.) But what to my mind was more valuable than the ten cents is the fact that when the conference concluded, the men on the one side and the representatives of the company on the other were well satisfied. There was good feeling prevailing, and everybody has gone to take up his scoop with renewed energy, and wait for the time to go and get some more. (Laughter.)

Now, it took four days to bring that about. It required an argument. In the first place, the officers of the Canadian Pacific began to tell us that firemen were not entitled to any more pay. Why? Because they were paying the going wages of the market. I had to admit it. The going wages of the market, however, were not high enough to recompense the men who did the work and bought the beefsteak at the increased prices in Canada, as living has gone up in Canada as well as in our own progressive country. We set about to convince the gentlemen that the firemen were entitled to more pay because they were doing more work and by virtue of the increased labor should have more for their services. They got the ten cents. What conclusion is to be reached? This. That when you go to the representatives of capital and present a logical argument, putting forth the facts, not with a club, or with a threat of your influence, although you have got it, but endeavor to convince him who represents the corporation on the one

side that the men in his employ by faithful service are earning more than they are receiving, very frequently you will succeed in adding to the daily compensation of the men you represent. Whereas, on the other hand, did we go in and lay down a declaration, "that or nothing," and end our arguments there, the possibilities might be that we would conclude the conference and results would have to be effected in some other way not so pleasant. Labor in dealing with capital, and capital in dealing with labor, must sit down and reason more than they have done in the past. I appreciate the strength of organization. No man need tell me what forty thousand martial hosts mean on the grand trunk lines of railway in this country, or the influence they wield, or the disaster that they might create in this country's interests if put into action. It is not necessary for me, however, if it happens to be my fortune to approach the officer of a transcontinental railway, to first endeavor to impress him that we are the whole thing and unless he bends his knee or bows his head to our edict the wheels of commerce are going to stop. That is not what should be brought forward first. First, your argument—conclusive, honorable, manly, taking no exceptions to the man who seems at first to disagree with you, but endeavoring to convince him of the error of his judgment, and win him over, keeping your strength of influence of organization as a reserve force to be brought out when every possible argument has been presented for conciliation, for arbitration, and then only striking a blow when it is absolutely necessary to do it, and when the great American public will stand supporting labor in its effort to obtain justice.

Now, my friends, I ask this of you. Give every man the right of his opinion, and give him the right to express

it as he conscientiously believes. And when this is done you may be wide apart in your views. There may be gentlemen in the labor movement to-day wide apart from me, but I hope they will be as charitable toward me as I will be toward them. If they can convince me that I am wrong, if they can lead me to believe that I am following a will-o'-the-wisp and will get swamped, I will take the first side-track I come to and get into the clear. But so long as we differ in opinions let us be closest friends. A gentleman who spoke on this platform yesterday afternoon, representing the steel industries of this country, spoke, no doubt, his honest convictions. He was manly enough to declare himself. Now, let us, as representatives of labor, unite our influence, not by abuse, not by attack, but by an effort to convert, as a good man converts the erring sinner, to win him over by good sound argument, to point out to him where he has been misinformed or misled or gone astray, and perhaps by so doing you can make of him as strong an advocate of labor organizations as you have done of my esteemed friend Mark over there.

Mr. Chairman, I appreciate that there are gentlemen here of ability, of knowledge, and understanding of the labor movement. I am but a kindergarten pupil, learning my lessons from such information as I get here. I speak for the forty thousand men who fire the coal into the mighty iron horses that transport the commerce over this country to-day, a body of men standing true to the principles of honest organization, no matter what class of labor it represents. There is no aristocracy in the organization I represent except the aristocracy of true manhood, love of the flag, and obedience to the law. (Applause.)

MR. STRAUS: The Secretary will read a telegram.

MR. EASLEY: The following telegram has been received from Carroll D. Wright, United States Commissioner of Labor:

"Could I be present at the conference to-day, I should strongly urge upon it and recommend to it the adoption of the joint committee plan, which has been so successful, not only in the United States but in Great Britain, in adjusting grievances and avoiding strikes. It has been demonstrated to be the most effective means.

"CARROLL D. WRIGHT, Commissioner."

MR. STRAUS: Gentlemen, we have heard from the very able chief or Grand Master of the Brotherhood of Locomotive Firemen. I am sure you would like to hear from another branch of the transportation facilities of modern civilization. You remember during our Spanish War when the *Oregon* was ploughing its way from the Pacific around the continent to do its magnificent service, great doubt was expressed, by those who were not informed, of the ability of that battleship to perform this immense voyage. But those who knew, who knew how she was constructed and where she was constructed and by whom she was designed, had faith that she would accomplish precisely what she did accomplish. The man who designed that noble battleship, the man who, perhaps, ranks as the leading naval architect of the world for his years, is here to-day. He is not an old man. And I have the pleasure of calling upon him to address us regarding the industries with which he is familiar. I have the pleasure of introducing to you Mr. Lewis Nixon. (Applause.)

MR. LEWIS NIXON: Gentlemen—I did not come here to-day to talk. I came here simply to testify by my

presence the great interest which I have, as a man who works, in this movement which has come to the front to-day.

I employ a number of men. Four years ago I concluded on my own initiative that I would try making my men union men. And I did so not because they asked me to, but because I believed that eventually I should accomplish more by doing so. I have as yet no cause to regret my action. There are a number of things in connection with organized labor that the employer has to criticise, but, so far as I can see, the relations of organized labor to the employer present far more that is good than bad, and they are constantly improving.

To my mind, the reason of the great industrial and commercial development of the United States during the past twenty years has been largely the fact that the employer in this country works with the men who work for him. We are all workers here and all have rights. And I feel that now we are about to bring about a kind of an industrial clearing-house where the grievances of both sides can be carefully discussed and fairly weighed, and with the benefit of public opinion upon the side that is right there is no question but that lasting, permanent, and great benefit will be derived. (Applause.)

In the relations that we have here we want to bring about an American spirit. One of the troubles of labor organization, as I see them—and I think this is a time for frank talk—is the fact that many of the abuses that have grown up in foreign countries have been brought into the organizations in this country. I believe the American workman to be courageous enough to stand up for his rights and intelligent enough to know when

he is wrong. And this is of itself the most hopeful spirit present to-day. We are all willing to do what we can, and the point is not that manufacturers should not endeavor to get the greatest amount of work for the least amount of money, but the workers also should come to the front and never be determined to give the least amount of work for the greatest amount of money. There is no question but within the last few months there has been a sentiment in the minds of manufacturers that there had been the advice given to "go easy." Now I myself have noticed this, but I do not believe it is going to prevail. I find that whenever I talk to a man who is working and put the facts plainly before him, that he meets me more than half-way. There has never been any trouble in my relations with men in my efforts to get a fair and honest adjustment of any dispute. That is the spirit we must bring about throughout the country. Men left entirely to themselves and pushed aside naturally become suspicious and do not believe that the men who come to them and say they are going to do the best they can for them are always truthful. Many times they have found that they were not. They have found that they have been deceived, that they have been kept down and in every way circumscribed in their general action for fear that they would get too much power. But we have to recognize the union to-day, because the labor-union man does exist and he is going to stay and he is going to get stronger, at the same time that the employer is going to become stronger and more powerful. And as soon as they get together and realize that they are all working for a common end, the better for all concerned. I believe that this meeting is going to bring about some such result. We must not allow any retrograde

movement. We must keep to the front. It means constant attention. It means giving in, in many cases. We have all got to be willing to compromise to a certain extent, and I do not mean by that that either side will have to give up any rights,—there is to be no bending of the knee,—but both the laborer and employer must come with well defined rights, which, after careful discussion, have been so well placed before both sides that each side will say when the decision is arrived at: “Well, that is the best we can get, and we should be satisfied.”

I do not believe in coddling men. This idea of giving them things outside which brings about a certain amount of obligation on their part is all wrong. If you have anything to give them, give it to them in time or money. They don't care for the outside things. (Applause.)

As I said before, I came here simply to learn. I was very much interested in the speech that has just gone before me. A spirit of that sort among the labor leaders of this country cannot help but produce great and permanent results. And when we look at the great body of men that the last speaker represents, and see the wonderful work they are doing in their particular line, all done in a spirit of conciliation and fairness, and, as he said, of willingness to take what he can get and not put down an absolute challenge and say, “If you don't give us what we ask, we will do nothing, or strike”—the moment we get that spirit we accomplish something lasting. I stand ready to do whatever I can and to always meet and talk with any man representing labor upon an absolutely fair basis, realizing that he has rights and realizing that I have them, and that both of us are going to contend, as far as we can, without open rupture, for our own best interests, because the idea that any set of men



are going to abandon their interests is a mistake—but there need be no more open ruptures if men will reason. If we bring about an American spirit in this country as between the employer and the laborer, there is no question but that the workman will stand with the employer to keep this country to the fore as the great manufacturing nation of the earth.

MR. STRAUS: Gentlemen, we have heard from those who transport us by land and we have had the pleasure of hearing from a distinguished representative of those who transport us by sea. There is still another method of transportation of those who go neither by land nor sea, but who go afoot. And I shall call upon Mr. Horace M. Eaton, the General Secretary of the Boot and Shoe Workers' Union, of Boston, Mass.

MR. HORACE M. EATON: Mr. Chairman, ladies, and gentlemen—Our organization has been in the work of practical arbitration and conciliation for a little more than three years. Hence, you will understand that we are more than ordinarily interested in a conference of this character. I would like to say that one of the chief obstacles that we have to overcome in extending the system of arbitration in the manufacture of boots and shoes is the idea that prevails among the employers that they want to run their own business, and in some undefined way they have the fear that a labor organization is going to prevent them from doing that thing. A short while ago I was asked by a shoe publication to write a short article and show cause why shoe manufacturers should deal with the union. The thought occurred to me that I could do no better than direct a few shafts at that notion of the employers that they should run

their own business, not with the idea that the union should encroach upon the employer's right, but with the idea of clearly showing the employer where his right leaves off and where the right of the employees begins. And so I stated in the article which I wrote that if man lived by and for himself alone and did not in any way associate with his fellow-men he could run his own business. How successful he would be would depend upon his own labor and not upon the labor of other people. I mentioned that Robinson Crusoe apparently ran his business until Friday appeared, and then he proceeded to run Friday's business. (Applause.) I wished in making this illustration to emphasize the fact that in a very broad sense we are servants of the public, and that we do not any of us run our own business.

Now, the organization which I represent has for three years been making contracts to arbitrate. The contract is between the National Union and the employer. The National Union assumes to control the acts of the local union and see to it that the local union keeps its contract. The National Union is a police force to maintain law and order in the industry. There is a union label proposition which goes with it and is the foundation of it, because it is a singular fact that the employers in the shoe industry do not come into this arrangement because of the equitable character of the arbitration agreement itself, but are in a measure forced into it by the demand for union-label goods. And after they get into it they begin to realize the equitable nature of the contract itself.

Our contract provides that all disputes of whatever character shall be referred to a board of arbitration. The contract runs three years. We make an agreement

for three years ahead that any dispute that comes up shall be referred to a board of arbitration. That contract is based upon the assumption at least that the rights of the parties are equal, that after that contract is made the employer cannot change the wages without the consent of the employee, neither can the employee change the wages without the consent of the employer, except by a decision of the board of arbitration. The contract assumes also the employer's absolute right to manage his own business. He is absolutely free to introduce any system of machinery or manufacture that he sees fit. It is for him to say how he wants the work done, and it is for us to say whether we are satisfied with the wages or not. The whole question with us is the question of wages. The whole question with him is to direct how the work shall be performed.

We feel that we cannot under those circumstances be properly charged with restricting the output. I noticed there was quite a lot said here yesterday about restricting the output. I wish to call your attention to the fact that it is within my memory—and I have only eighteen years' experience as a member of the union—that heels were nailed on by hand, and the average mechanic could nail on about seventy or eighty pairs per day, that is, one hundred and forty or one hundred and sixty shoes. We have had three different sets of machinery introduced on that part since then, and to-day we have a machine by the use of which a competent man and a boy can nail on in ten hours about three thousand pairs of heels, six thousand shoes, ten a minute—take them off the rack, put them on the jack, put them in the machine, press the lever which nails the heel, take it out, and put it on the rack again. Now, if they had

nothing else to do they would be doing ten a minute. But they must gain time on that in order to get stock together, to feed themselves, so to speak. So they must work, while they are actually at work, at an average speed of not less than fifteen a minute. Now, with such an intense development of machinery in the shoe trade, and such a high rate of speed, I do not think we can be fairly charged with restricting output. On the other hand it seems to me that the constant intense application to fast machinery is making of a shoe worker a very irritable and erratic individual sometimes. It spoils his temper, makes him easily excitable, working amid so much noise and at such a terrific pace.

But I won't deal with that question. I am here to give you a few facts of this system of arbitration which we are developing. Some of the parties that we negotiate with assume that once they have entered into an agreement with a union to arbitrate, the various departments of their factories will be in the hands of the board of arbitration all the time. That is one of the fears they entertain. Now, it is a fact that in the State of Massachusetts, where we have more of these contracts than we have anywhere else, we have only arbitrated three cases in three years. One of them, which is the only one I can speak with absolute information about, involved a difference in dispute of a twelfth of a cent a pair in the labor cost of a pair of shoes. So you can see it was not a very gigantic difference. The fact is that inasmuch as we had agreed to arbitrate we don't arbitrate at all; we settle it up amongst ourselves. (Applause.)

Another peculiar tendency of these agreements we are making is that they are making of the national officers of our union, that is my colleague and myself, judges. Our

work is becoming of a judicial character. I have in mind one factory working under our system upon which we have three times sat as judges between the local union and the manufacturer, the employer, to decide points at issue which were left to us to decide by both parties, and we went over and listened to the arguments on both sides and then rendered a decision. That has happened three times in one instance with apparently perfect satisfaction all around. We have another instance where the contract provides for what we call a local board of arbitration, that is, the employer chooses one, the employees choose one, and the two choose a third, and in this case, by consent of both of the parties, should those two fail to select a third, it is left to the national officers to select a third arbitrator.

I merely mention these instances to show that where once the employer and the employees have come together under agreement to submit their cases to arbitration a feeling of mutual respect and confidence develops which makes it in most cases unnecessary to go to the court of last resort. (Applause.)

MR. STRAUS: Gentlemen, I now have the pleasure of calling upon a gentleman who is identified with labor so prominently and so honorably, and in such a distinguished capacity, that he requires very little, in fact no introduction whatever. His name is his own introduction. I have the pleasure of introducing to you Mr. Samuel Gompers, President of the American Federation of Labor. (Applause.)

MR. SAMUEL GOMPERS: The whole struggle of the human family has been to secure a better condition for those who work. In the early history of man, when his

tools of labor were identical with his weapons of offence and defence, the wars of conquest went on, but those captured in battle were not retained by their conquerors; they were put to death.

The safety of the conquerors demanded the death of the conquered. They could not be made slaves and forced to work, for this furnished the slaves with the identical and only weapons with which the conquerors were armed, and always gave the conquered an opportunity for their freedom.

It was a marvellous advance that differentiated the weapon of war from the tool of labor. The first step in this direction pointed the way to the farthest and most effectual advance in the civilization of the human family.

When that first differentiation took place, the captives were no longer put to death. They were made slaves and forced to produce wealth while the conquerors marched in their warlike armor toward new conquests.

I shall not attempt to trace the historical development of the workers' struggles for recognition of their rights, except to say this, that the change went on from slave to serf, and from serf to wage-worker; so that we now find ourselves in the condition where the wage-worker is placed in competition with his fellow wage-worker. It is the desire of the workers to reduce the evil side of that competition to its minimum.

In our new twentieth century we are living in an era of the highest development of industry. Concentration of wealth and power is in the direction of securing the greatest production by the fewest possible factors. What are these wonderful productive forces?

The improvement of machinery, the division and subdivision of labor, the application of new propelling

forces of steam and electricity and water,—all these great powers and motives and influences converge to the one point of increasing the production of wealth by the workers.

Let me say to you, my friends, that even with that picture in mind, there are still some in our day who speak of the individuality of the worker.

I grant you that where economic and social conditions admit of individual action, that is the ideal situation. But when we find on the one hand a great concentration of wealth and power, accompanied by a marked concentration of industry, with the direction of the great industrial and distributing forces placed in the hands of a few, it is as idle for the individual worker to attempt to obtain redress for bad conditions as it is for a vessel to survive a hurricane without rudder or seamen to guide her.

What is necessary is that the workers, so far as consistent with their social and political liberty, shall merge their economic interests with those of their fellow-workers, and by that method endeavor to obtain consideration for the rights of both the elements in production.

In our industrial system of society I would not have the rights of an employer toyed with nor flagrantly violated. Also, I want to say that I will not tolerate, nor stand by, nor permit, so far as my powers and opportunities may afford, that the rights of the weakest of our fellow-workers shall be trampled upon.

There is in our time, if not a harmony of interests,—which I shall not attempt to discuss at this time, because there is a divergence of opinion upon that subject,—yet certainly a community of interests, to the end that industrial peace shall be maintained.

I will not join—I have not joined—in that hue and

cry against combinations of capital. I realize that that is a matter of economy and development and strength.

But I do say, and I might say it parenthetically, that I object to the organizations of capital popularly known as "Trusts," when they attempt to interfere with the political affairs of our country, and particularly the judiciary. I am speaking of them from an industrial and not from a commercial point of view.

I want to see the organization of the wage-earners and the organization of the employers, through their respective representatives, meet around the table in the office of the employers or in the office of the union, if you please, or, if that be not agreeable to either, then in an office or a room upon neutral ground, there to discuss the questions of wages and hours of labor and conditions of employment and all things consistent with the industrial and commercial success of our country, that shall tend to the uplifting of the human family.

One difficulty has been that employers of labor have turned their backs upon the workers because the latter organized and attempted to secure recognition of the fact that they are basic elements in the production and distribution of wealth, and as such have a right to be consulted as to the conditions under which either or both shall be conducted.

We assert that the employer has no right to say to us that there is not anything to arbitrate. In that declaration is embodied all the evil and viciousness of the principle of master and slave.

When organized labor says, "We want to arbitrate," it means that the employer or his representative shall meet with the workers, or their representatives, and endeavor calmly and carefully, intelligently and humanely,



to arrive at a result that shall be beneficial to both and to all the people.

We realize, too, that an agreement with an employer is an obligation which ought to be as faithfully kept as a bond or the oath of allegiance to our country.

We object to holding, legally or otherwise, the organizations of labor liable in damages for the violation of agreements either by an officer of the organization or even the collectivity as expressed by the organization itself. The reason is, that we have in mind the experience of centuries ago, when the organization of the toilers in the old guilds was destroyed and their funds confiscated simply at the whim of the crown or those who stood for it.

We believe that the greatest damage which can be inflicted upon the workers is to reap the fruits of their own folly when they are wrong. Nothing can contribute so much to rectify errors. Nothing tends so much to bring about a clearer understanding of the mutual rights of both workmen and employers as the endeavor to place their errors behind them and to learn by their mistakes.

We are endeavoring to place the movement of the workers upon a higher plane of ethical consideration. We are desirous of the good will of employers and the employing class and their representatives. Our movement makes for the common good of all and instils into the minds and hearts of our fellow-toilers in unions the same elements of honor that we expect in individuals. No man can maintain his self-respect or command the respect of his neighbors and friends unless his word can be absolutely relied upon. It is the same with unions.

We want better relations with the employing class.

We are contributing our quota toward that desirable end. But we claim, even if it be not generally recognized, that there is no factor in our behalf so potent to secure consideration at the hands of our employers, or fair agreements from them, or a faithful adherence to the terms of the contracts or agreements, as a well organized body of wage-earners in the unions of their trades and callings; these combined in the national unions and still further associated in a thorough federation of all organized workers.

My friends, I came here directly from the twenty-first convention of the American Federation of Labor, the highest and best organized and most thoroughly federated effort of the workers of the world that has ever existed. Coming from their ringing appeals and their arguments and their philosophy and the yearnings and expressions of hope, as well as their complaints of errors and wrongs of the past, let me assure you that the organized workers of America have no fear for the future, whatever may present itself.

They are true, loyal, faithful, and devoted citizens of our country, loving its institutions, revering its traditions, and honoring the men who have made this great country of ours what it is. Realizing the very many changed conditions that have come about, the workers have no fear for the future, but rely upon the justice of their cause, the humane aspirations which prompt them, and the grit and the manhood that make up the American character, to solve all problems.

MR. STRAUS: Gentlemen, you have had the pleasure of listening to the foremost representative of organized labor in this country. I shall now call upon a gentle-

man who comes here as a fraternal delegate to the American Federation of Labor from Great Britain, Mr. Benjamin Tillett.

MR. BENJAMIN TILLET: Mr. Chairman and friends—You have heard the very forceful address from an old colleague of mine, and I think he has presented some of the salient features of our movement and has expressed many of our arguments. I might say, Mr. Chairman, that though I am comparatively a young man, I have seen more than a score of years of service, and although I have been through many campaigns and seen many changes in the thought of the workers of the country I belong to, I feel more hopeful than ever that a saner policy will be expressed toward labor by the capitalists of the future. I think in our country we have gone a great way. Our colonies have adopted compulsory arbitration. They don't fear the judiciary or the corruption of the judicial mind. They don't fear the political influences behind the judicial mind. And they frankly, openly, and honestly demanded the full recognition of their citizenship and have taken their place in the law and the government of the country. We have in Britain—or in England proper—many associations between employers and workmen, and generally speaking the more these two parties realize each other the more they understand that labor has long ago dropped its serfdom and has come out to demand the full recognition of its humanity, and therefore as a factor in production it claims that the wealth created shall not be merged in aggregations of capital but shall go toward the uplifting of the level of the living and the making of a more robust nation. We have our sliding scales and our conferences, and I should say that in this country

where the problem seems to be more acute than our own, it requires level-headed men. I could endorse the position of one of your speakers yesterday, that the arbitrator for industrial peace in America has a greater honor and distinction than to be your President.

¶ We want labor. And labor is a consumer as well as a producer. We belonging to trade-unions are not disposed to find fault with the trusts of capital. We ourselves are a trust of labor. We wish to eliminate every form of servile and slavish conditions that prevents a man demanding his right to live and demanding his right to work. And so being in a labor trust we say that the trusts must grow and their main object ostensibly will be to do away with extraneous or unnecessary expenses, and to bring the commodity under its best form and under the most economical conditions and in the cheapest manner to the consumer. That is an economic condition and we are not going to grumble about it. But we say as workmen that a million of money spent in wages for circulation, a million spent upon the workers in better food and better conditions, contributes many times more toward trade, and prosperity, and is more useful, than a hundred millions spent in any other form. (Applause.) For that reason we say: you talk of killing the goose that lays the golden egg, but in the past the capitalists have been killing the goose that has been eating the stuff or trying to. The workman is not merely a producer, he is a consumer, and as a consumer makes for trade. ¶

Putting it upon its practical line, we say there is no reason for the arbitrament of the strike to take place. But you in this country, we are watching you. The trusts are growing in our own country. I am not here

to say that there can be absolutely sweet brotherly feelings between capital and labor—the economic antagonism prevents that—but I don't see why a sane business relationship should not exist. The capitalists fight each other, the millionaires fight each other, and surely it is illogical and inconsistent of them to say that we ought not to fight for our little bit when they do not scruple in their business concerns to take advantage of their neighbor, holding up a railway, holding up a harvest, cornering here, cornering there. Surely that is antagonism, and when these gentlemen are absolutely singing the one song and are loving each other and have no competition, it will be right for them to come and tell us to have no competition as against them. So long as we understand that we are not going to slobber on each other's shoulders, so long as we understand that there is an antagonism and that the workers as consumers must be antagonistic to the capitalist who holds and possesses the productive powers,—the worker as a consumer must feel his antagonism—as a worker he must feel that also,—we can then raise the antagonism, I hope, to a high plane, to a high level, taking the place of those fierce fights that have happened. There are more men killed by work than war, much as we deplore war. (Applause.) There are worse conditions even during industrial peace. There is the sum-total of the wretchedness, the sum-total of the deaths, and the sum-total of the diseased. Rapine and war cannot compare with the misery which exists so long as poverty exists. We are not saying that the capitalist ought to do away with poverty. We will do that ourselves (applause), but we do say that we ought to have a fair, square deal, a fair, square fight, and that so long as they claim the

right to be in a trust of capital we claim the right to be in a trust for labor and determined to eliminate every factor that will keep us from attaining the mental and moral condition of beings which it has taken the Creator millions of years to make, and one drop of whose blood's mechanism is finer and more complex than the most clever of invented machinery. We say when we realize what it means to create a man that we want to raise ourselves to the level of that manhood and demand from the conditions of our country and our environment something that will not make us less a man but will bring us nearer to the conception of that Godhead where we can live honest, open, robust lives. (Applause.)

The man of old who stood upon Pisgah and saw his people in the wilderness quarrelling with each other—there is no Moses to-day, there is no Pisgah that I can see, except the Pisgah of hope. And from our Pisgah we look beyond, beyond Canaan, and we see whatever the strife may be, whatever the chicanery or corruption. However much abuse of power those holding the capital of the country may be guilty of, we believe in the people, we believe in the eternal justice of their cause. We believe that as invention is added to invention, continent to continent, resource to resource, and as every one of the secrets revealed is the revealing of mother nature's great love, we must fight those who would stand between us and our rightful share of man's evolution. We must fight them with brains, fight them with our souls, and fight not only to command ourselves, but to command our country and command the right of being a man and not a chattel. The capitalists in the old country in the past said we had no right; they had the money and we had to do as they told us. We said we were men like them—we also

were men and demanded the right to do with our own what we chose. In this country of yours it is going to be the centre of a great economical revolution. The efforts of this country must be for the good of your country. I hail with satisfaction the attempt made to bring closer to each other those who for economic and social reasons are apart, in order that at least the outcome of it may be that you will understand each other better. Anyway we stand on our side for our manhood and we recognize the right of no man to make a slave of another. These capitalists of yours, they have a terrible responsibility, and I would rather be a laborer obscure, I would rather be a poor thing of the street on the Judgment Day, than I would be the man who has abused the tremendous powers placed in his hands, and has paid no heed to the misery that has been involved in the sacrifices that yielded to him his wealth. I say I would rather be the worst thing on this earth before my Maker than I would be that capitalist who has ignored the tremendous obligation placed upon him by his wealth. We recognize our obligation. Work is blessed. Let it be noble. Let it be dignified. If it is not noble or dignified, then it is slavery, and the country that supports it is a country that cannot live, unless history lies. Wherever slavery existed empires have fallen. And in that greater wisdom of the larger mind and the larger heart it may be that this economical revolution will afford in time to come such a solution of the problem that all these inventions and all the things that go to improve our methods and increase our productivity will be used not for the purposes of a class or a few, but will be used for the blessing of mankind in general.

MR. STRAUS: Gentlemen, after listening to the eloquent address of the delegate from England, who certainly speaks for himself and shows what an eloquent man has been sent over here from abroad, I have the pleasure of calling upon the representative of the largest labor organization in the world—the United Mine Workers' Union, which I am told has 285,000 men. I refer to Mr. John Mitchell, President of the United Mine Workers' Union. (Applause.)

MR. JOHN MITCHELL: Mr. Chairman and gentlemen—I understand that the hour has about arrived when the sessions of this conference are scheduled to close, and, having been prevented by circumstances over which I had no control from enjoying the pleasure of listening to the speakers who have addressed this conference at its previous sessions, I fear there is some danger of my repeating what other speakers may have said; however, briefly stated, to me the question of the proper relationship between labor and capital, or, more accurately speaking, between working men and capitalists, is not a complex problem; it is not one which requires the introduction or the consummation of utopian theories, or the conversion of the public to any particularism. To my mind—and I have participated in about as many industrial wars as any one of my age—the application of reason and common horse-sense on the part of the employers of labor and the representatives of the workmen is all that is required. If the employers of labor and the representatives of the labor unions would meet in conference; if when they met they would be governed by facts; if they would tell each other the absolute truth, I dare say that the days of strikes and lockouts would be over. I have never, in all my experience, seen a strike that



could not have been averted if the employers and the representatives of the employees had met in joint conference before the strike was inaugurated; provided, of course, that the conferees were actuated by honest purposes and lofty motives.

I understand that the purpose of this conference is to try to perfect an arrangement between men representative of capital, men representative of labor, and men representative of the business and professional interests of our country, whereby strikes and lockouts, with their attendant sufferings and losses, may be, if not entirely eliminated, at least reduced to a minimum. This movement had its inception in Chicago, about one year ago; and if carried on to the conclusion fondly hoped for then our entire nation shall have cause to rejoice, and more shall have been done to solve the problem of the relationship between capitalists and laborers than by any previous movement in our country.

If the men who have taken part in this meeting, if the men who are interested in this movement will give as much thought, time, and energy to make it successful as the representatives of labor have given to their own particular branches of industry, then I daresay something tangible will come out of it; and before one year shall have passed the effects and results will have been demonstrated, and strikes and lockouts perceptibly reduced.

In closing these few remarks I desire to say, as one who knows the effects of industrial war, that no one more than I shall welcome the day of industrial peace. I have said on many occasions that I was opposed to strikes, opposed to lockouts, opposed to industrial turmoil; that I favored peace, but always with the qualification

that it must be an honorable peace. There will never be peace between the men who work and those who employ men to work unless that peace guarantees to each that which is their proper due; and as I said before, if through the medium of this movement we can bring the representatives of each of these apparently antagonistic forces together, if we can sit down, look into each other's eyes, tell each other the exact truth, then the happy days of industrial peace and prosperity for all shall have arrived.

MR. STRAUS: I now have the pleasure of calling upon Mr. James Duncan, the First Vice-President of the American Federation of Labor, and Secretary of the Granite Workers' Union.

MR. JAMES DUNCAN: Mr. Chairman and friends— This is the first conference of the Civic Federation it has been possible for me to attend, and I therefore come here more as a spectator than as a participant in speech-making. I desire to say, however, that I congratulate those who compose this conference and who conceived the idea of meetings of this kind, for it shows more clearly perhaps than can be spoken in words that the efforts of the laboring men of the world have not been in vain. The great labor movement of which we as workers are humble members stands primarily for peace, peace with justice. We are not disposed to view the one without the other; and when one is offered without the other we feel that we have been treated unfairly.

I do not care at the present time to go into the historical side of the question. Mr. Gompers dealt with it somewhat, and the time is too short to take up that part of the story, even where he left it, and carry it to the

present time. But I desire to impress upon you the fact that the labor movement even as we know it in our day is not new. It has been groping along ever since the dawn of civilization wherever there was a wrong to redress. There are many who think that the labor movement practically began since the Civil War. This is because matters have taken place since then which have brought it more to their attention than any that occurred prior to that time, excepting in the great outbursts which in many instances might be called revolutions rather than the evolutionary development of the condition of the lowly and downtrodden.

We therefore feel, that standing for peace and having struggled for it—and some of us can even remember the time when a man who was a unionist and stood for the interests of his fellow-worker was pointed out as a dangerous citizen, as a man who had to be watched lest in some part of his daily performances something might happen to the danger of the community at large—that such a change in the space of a quarter of a century during which the feeling I have referred to has been eliminated, so that a laboring man at the present time is looked upon as being fashionable if he is a member of his trade organization—has perhaps been as much the cause as anything else in bringing about conferences of this kind. The public at large has arrived at the conclusion that there is more back of the movement advocated by the union men of the country and of the social reform organizations than at first appeared, and in consequence they are giving the subject fuller consideration. It is pleasing indeed to the student of sociology to know that such is the case.

If there were any danger of our labor movement

following the course of similar movements in the older countries and losing respect for the government of the country it would be because the toilers have become cognizant of the fact that from time to time the common people are denied their civil rights both by what should be popular government, and by the judiciary; and especially that the man with a large bank account is able to get favorable consideration in our legislatures and even judicial decisions in his favor because of his wealth. I am not one who believes that the courts are absolutely turned over to the rich and against the poor. I know, however, that in conflicts in which lawsuits are made part of the controversy the fact that the rich are better able to carry their cases into court and to fight for them through well trained and high-priced attorneys makes them more confident of getting decisions in their favor. The workers, therefore, do not look upon that form of procedure as containing a great amount of good or justice to them.

I started by saying that I came as a listener, but I want to say before sitting down that I hope something good and tangible will come from this meeting. There are evidences of progress of the kind desired already throughout the land. We have arbitration boards in several States which have followed the ideas put forth at this conference and have been productive of great good to employer and employee. We find that voluntary arbitration is productive of the greatest amount of good, and I believe that from such deliberations upon disputed points and from the influence of conferences of this kind a new era has arrived wherein the cause for which we stand will be given fuller consideration than it ever has had before, and will be fraught with better results.

The working people of the United States and Canada stand for a form of expansion which has heretofore not been given the consideration that another form of expansion has received in the recent affairs of our country. I listened very closely to the statement of the speaker who preceded me—Ben Tillett of the London Dockers—upon the important question of consumers of production, and I want to say that if from our conferences here the idea can go forth that industrial expansion at home is to be given the full consideration its importance requires, we will be able in the near future to make the word “expansion” more honorable than it is at present in the political arena. I have not the time to debate the policy of the Government in gathering in the islands of the Atlantic and the Pacific, but I stand for expansion at home. I contend for conditions among our own people whereby they will be recognized as the most profitable consumers, for then the manufacturers of our country will find that the home market is better for them than any market they can get abroad. (Applause.) When the time arrives that each working man in our broad land knows that he has at his command two or three suits of clothes and two or three pairs of shoes in place of being dependent upon one suit or one pair and scarcely knowing where the others will come from when his meagre supply is unfit for further use—when that time has arrived and other similar opportunities of consuming native products are given to the common people, a market for home production will be provided, compared with which there is nothing to be found in the markets outside of where Old Glory flies. We therefore stand for expansion at home, and it can be safely brought about by a fair reduction of

the working hours to not over eight per day with safe and consistent increase of remuneration such as would enable the producer and those dependent upon him to be consumers to the extent of satisfying their normal and rational desires of home life and good citizenship. I do not believe there is a manufacturer in the United States of America but will admit that after all the place where he can sell his goods and get the best prices for them is right here at home in his own country. We therefore demand opportunity, and if our desires are heeded and if this conference will aid in pointing the way to that end by reducing the number of strikes or by making lockouts less frequent, our meeting shall not have been held in vain. (Applause.)

MR. EASLEY: I have just received a telegram from Mr. James A. Chambers, President of the American Glass Company, Pittsburg:

"I regret exceedingly my inability to be with you. You have my best wishes for the final success of your noble undertaking and can depend upon my heartiest co-operation. I know of no cause of more vital importance to good government and that promises such universal happiness and prosperity to the nation as the permanent establishment of a proper understanding of the relationship of capital and labor.

JAMES A. CHAMBERS."

MR. SARGENT: Mr. Chairman, I beg the indulgence of yourself and your honorable body to present a motion: That the Chairman of this meeting appoint an executive committee of the Industrial Department of the National Civic Federation, consisting of twelve representatives of the employers of labor, twelve representing employees of labor, and twelve representing the general public in-

terests of the country, the honorable Chairman to be a member of this committee. (Applause.)

Motion seconded and adopted.

MR. STRAUS: Before closing this session I wish to say there is a very modest man who has been connected with this movement who has labored hard, intelligently, wisely, and fairly in this field, who deserves a vote of thanks, and that is the Secretary of the National Civic Federation, Mr. Ralph M. Easley. (Applause.) If Senator Hanna will propose that motion, I will be glad to put it.

SENATOR HANNA: Mr. Chairman, it gives me great pleasure, in recognition of that service, to offer a resolution that a vote of thanks be tendered to Mr. Easley, not only for his careful work, but for the spirit which he has shown and the efforts he has made in bringing these elements together. I have been with him somewhat in the council, and I feel that to him more than to any one of us is due the credit of this meeting. (Applause.)

Motion adopted.

MR. STRAUS: I shall call upon one other gentleman before closing this conference, a gentleman to whom those of us who were here yesterday had the pleasure of listening for a few moments, whose reputation for good work and for this work is known throughout the land, who has come here from a distance because his heart is in this work. I refer to the Most Reverend Archbishop John Ireland. (Applause.)

ARCHBISHOP IRELAND: Mr. Chairman and friends—May the winds of heaven bear across continents and oceans the news that in the great city of New York there was held a meeting such as that in which we have taken

part. A meeting such as this is the honor of America, the honor of humanity. It is a signal omen of good and great things for the world of men during Christianity's twentieth century. Of the twentieth century it is the ambition that the holy principles of brotherhood, of charity, and of justice, announced to the ages by the Saviour, become deeper and wider realities than at any previous time in history. Can those principles of brotherhood, of charity, and of justice be better and more clearly realized than through the practical application of the noble and beautiful sentiments that have gone forth from this meeting yesterday and to-day?

Yes; let us have industrial peace. Let men, whether employers or workmen, know and feel that they are brothers. Let all know and feel that every man, poorest or richest, is a child of God, the most valued thing upon this globe. A man, whoever he be, is made in the image and the likeness of the Creator. Henceforth be it our earnest strive with all might that charity and justice toward one another be the prevailing life of our great nation.

In the addresses which I heard yesterday and to-day I read all the elements of hope and peace. In those addresses there is the recognition of the vital principles that make for justice and for charity. Whatever seeming divergencies of opinion there were among speakers were divergencies in words rather than in principles. One speaker viewed a matter under one aspect, another under another: there was no substantial disagreement: with explanations both would have been in fullest harmony. Such divergencies emphasize the importance of employers and workmen coming together, talking together, looking into the minds and hearts of one another.



I do not know that at any time yet in the industrial history of the country there has ever been a gathering so hopeful as ours,—a gathering at which men representing capital, men representing labor, men standing before the country for social peace and for the happiness of all, did together, as we have done, shake hands and say to one another, Let us understand one another, that there may be between us good will and harmony. In presence of a meeting such as ours, I should be faithless to humanity, and faithless to the religious sentiments imbedded in the hearts of all, were I not to proclaim that we shall surely succeed in our resolve to understand one another, to bring peace and good will into the counsels of the nation's industries.

Proud am I to-day of America and of the democracy of America; hopeful am I of democracy's lasting triumph. This is true democracy, this is the victory of democracy, that in the name of the manhood of the country we are united to guard the rights of all and to procure the social happiness of all.

Name, then, Mr. Chairman, your executive committee. Mention thereon no one whose heart does not thrill with the sentiments of justice and charity, that have received in our meeting such noble expressions. And when your committee is named and its members enter upon their work, may they not forget the responsibility resting upon them: the responsibility to bring justice to all, to bring peace to all, to guard the weak from peril of oppression, to guard the strong from the yet more dire peril of allowing even a shadow of oppression to spread over their fellow-men.

Our aspirations and our hopes are blessed by the great Lord and common Father of all.

MR. STRAUS: I wish to announce that the executive committee will be appointed to-night or between this and to-night, and that they will be called together tomorrow for the purpose of devising and perfecting a plan of work and the scope of work which they will undertake.

And now I declare this conference adjourned.

Adjourned.

## PART II

PAPERS READ AT THE CHICAGO CONFERENCE,  
DEC. 17-18, 1900.



## OPENING SPEECH BY MR. FRANKLIN MAC- VEAGH, CHAIRMAN OF THE CONFERENCE.

**I**N opening the meeting, Chairman MacVeagh spoke as follows:

My selection as chairman of this conference is due to the recognition of a third party to the dispute between organized labor and organized capital. There is a great number of inoffensive people who are neither organized workmen nor organized capitalists, and who have the misfortune in all conflicts between these two forces to be ground between the upper and nether millstones. To this third estate I happen to belong. We constitute the controlling element of public opinion, and public opinion is the last support of organized capital and organized labor and of all other organized power in a free nation.

First, in calling this conference to order, I must say a word of congratulation on the successful launching of the National Civic Federation, and to express what we all feel, that this new organization has come forward to perform duties of great importance to the welfare and progress of America. It creates a national forum for the great issues of American life, where they may be discussed within the hearing of the nation on a platform uncommitted, unpartisan, and unprejudiced, and with as fair a prospect as discussion can have of aiding an ultimate solution. We have plenty of discussion from the points of view of all sorts of dogmatic sets, classes,

and organizations, but until now there has been no national forum where all leaders could meet and know each other, and where all opinions could be heard through their able and respected advocates, in the spirit and under conditions of frank and tolerant discussion. And while recognizing the importance of this new national factor, I feel it is a great pleasure to acknowledge that we owe its inception and organization almost wholly to one man, its secretary, Mr. Easley.

I am glad the question of industrial arbitration has been given precedence in the conference the Federation proposes to hold. Nothing is more pressing than a method of adjusting the differences of capital and labor. Nothing more immediately or profoundly involves vast American interests. We are confronted just now by a great expansion of our foreign trade and by a new vitality and vigor of domestic prosperity and development. We can, therefore, ill afford to wait for the basis of industrial peace if that basis is possibly to be found now. Neither the working men nor the employers nor the general public can afford to waste time in half-thought-out theories, policies, and practices if it is possible to hasten the solution.

I shall listen with great interest to the facts and the reasons which you will give to the conference, and leave it to you to discuss whether compulsory arbitration, after the New Zealand manner,—or any compulsory arbitration,—is our remedy; whether the machinery of the boards of arbitration under favorable appointment and equipment could accomplish the purpose; whether the arbitrators voluntarily chosen for each case under a general custom would be a way to secure peace, and, finally, whether any form of arbitration can be made a solution

of the troubles and losses with which the conflicts of capital and labor are attended.

It has long been assumed that some form of arbitration is the goal toward which all solutions of these problems must of necessity advance. I believe this conference will modify that time-honored assumption. Whether some form of arbitration—that is, a hearing and judgment by wholly disinterested arbitrators—shall be accepted or not as the best method of determining questions between employer and employee, we are no longer to be limited to the consideration of arbitration in seeking our remedy.

The old method of solution by a conference of the disagreeing parties themselves—always regarded as the most natural, radical, and desirable, if practical—proved itself incompetent as a universal expedient; and arbitration became to most of us, for the time being, the only alternative. Of late, however, the advance of organization among both employers and working men, and especially the increasing prevalence of national organization, has made it possible in some cases, at least, to resume the practice of settlement by conference of the interested parties themselves through national conferences, fully representative of the interests of the disputing parties, but removed a stage or two from the immediate heat of the dispute. One can see in this substitute for arbitration the elimination of the disinterestedness of the arbitrator, but at the same time the elimination of his unfamiliarity with the complexities, technicalities, and the national or general importance and significance of the questions involved, and the elimination equally of his rather helpless and hopeless inclination to “split the difference.”

Introduction of these new experiments and theories into the field of discussion will add freshness and interest to the proceedings of the conference, and possibly broaden the prospect of favorable results. Adoption of a successful method of settling economic disagreements between capital and labor without strife would have great influence on the material progress of the nation; but it would have also a far-reaching influence on the development of the nation's civilization, and therein lies, after all, its chief significance and value.

I know that a deep chasm seems to many to exist between labor and capital as the result of past industrial and social conditions. Many think this chasm, like chasms in nature, is the slow work of centuries and cannot be filled or bridged, and that a new social and economic world is the only remedy. With apparently incurable strife between labor and capital always before the mind and the persistent and loud noise of the strife always in the ears, it is not a wonder that men should believe there is something fundamentally and helplessly out of joint in industrial relations. And then, to increase one's confusion of mind, vast and unassimilated new features have appeared in these industrial relations, as for example the great aggregations of capital in corporations and individual men.

But what a passing makeshift arbitration would be if the interests of capital and labor really were irreconcilable—fundamentally irreconcilable. What a depressing outlook for most of us if there were no prospect for real industrial or social unity under our present political, industrial, and social systems! To my mind this great chasm is an effect of the imagination, to be regretted and always to be combated. The result of any customary



rational, peaceful adjustment of industrial disputes will be to discredit this imaginary chasm—especially if it should be found possible to adjust such disputes without the aid of any outside person or authority.

No industrial or social system can make real classes, and without real classes there can be no industrial or social chasms. Democracy, with its beliefs and its institutions, is the one irresistible, the one wholly progressive social force of modern life; and it will prevail more and more, so far at least as any man of the present can look forward into the future. All the centuries have been preparing for it—preparing for democracy and not preparing chasms at all. Democracy has not fully realized itself yet, it is true, but it will never take a permanent backward step, for it cannot. It is not among the conceivable possibilities of our era that it should. Then why waste thought on chasms and classes? Not but that there are enough barriers between capital and labor—between employers and workmen. Not but that there are enough distinctions between rich and poor—enough and to spare. But if we find a way—before long we are sure to find a way—for capital and labor to live in peace, a step will be made toward that habitual normal sense of social solidarity which is the foundation stone of democracy.

Much of the dividing line between the employer and employed is fading out even while we think it is so deep and permanent. For instance, the greatest strikes of the present day are not between the capitalists and laborers at all; they are between employees and employees—between working men called managers or superintendents and working men called working men—strikes with which capitalists have nothing to do except to take

their punishment and loss. There are still some industrial disputes in which the capitalists themselves are one of the two parties, as in strikes of building trades, though even there the important capital in the case is not that of the contractor, but that of the owner of the building, who usually is a helpless sufferer and hanger-on entitled to the sympathy of all charitable hearts. But the greater strikes and lockouts—such as those on railroads or in coal mines—are the contentions of two sets of employees or of two sets of wage-earners, and the stockholders, the capitalists—in many cases women and children and savings-banks—generally are more helpless and suffering than the general public itself.

As an instance, on the other hand, of the widening of the capitalist class, take the vast tendency of recent times toward corporate methods in business—the substitution of the corporation for the individual business man, the wide introduction of the share form of capital, and the further tendency to make the shares small enough for investors of every size. The irresistible tendency toward this capitalistic evolution or revolution is destroying the exclusiveness of capital and is making the world of the capitalist as large as the nation itself. Almost every man with the single virtue of frugality may be a capitalist, and when America shall be wise enough to take the point of view that legalized corporations are necessarily for all the people and then shall see to it that they are both organized and administered for the people, and under the clear eye of public authority, as the national banks already are, then with great strides the hostile distinctions between capital and labor will become more meaningless.

Nor is it certain that the great wealth of individuals

will arouse, as many predict, increasing unfriendliness in the general community. This unfriendliness is due to the sense of the unfairness and the injustice of the opportunities afforded certain classes of men and to the overbearing uses and the useless uses so often made of wealth. But these objections are not permanent in any large contemplation of the subject. In the first place, there is the prospect that we shall learn how to protect the community against those unfair and unrighteous manipulations of capital that take from the many, by processes of merely shrewd or unscrupulous promotion or combination, to pile up for a few. Again, there is a growing prospect that our laws and our government will soon become satisfied with what they have done to build up excessive or undeserved fortunes. And it is evident that more and more large amounts of excessive wealth will find their way by gifts into the public and beneficent uses of the nation, and if not by gift, then by reasonable taxation.

Finally, the greed of wealth itself, the ambition for extreme and unrequired wealth, promises to undo itself, as any form of greed is likely to do. More money than a man really needs requires distinction to make it desirable. Formerly wealth was generally distinguished. It was associated mainly with personal distinction and made to support and maintain personal distinction. It also was not easy to get, and therefore it was more to be desired and it conferred greater honor. Of late, it has become so much easier to obtain and is so frequently associated with commonplace or objectionable qualities, that one may look forward to the time when wealth will not necessarily confer either distinction or honor. I need to add only that the normal disposition to honor

and envy rich men is being strained to the breaking-point, even at present, by the disappointing and disheartening quality of the latest corps of rich men, who seem to be coming, with a new impartiality and rotation, from the lower classes of the business world.

Wherever we look we find evidences that there are no permanent or deep divisions in our citizenship and that what lines of demarkation do exist are not growing more, but less, defined. This conference is not engaged exclusively, therefore, in the alleviation of an immediate strain in the relation between capital and labor. It is in a larger field than that. It is working for immediate relief, but along lines that will bring the greater and final relief of a friendly, undivided, and homogeneous industrial commonwealth.

## TRADE BOARDS OF CONCILIATION AND ARBITRATION ABROAD.

BY CARROLL D. WRIGHT, UNITED STATES COMMISSIONER OF LABOR.

**I**T is my purpose at this time, in accordance with the suggestion of the Secretary of the National Civic Federation, to confine my address to some of the latest attempts in Europe to adjust industrial difficulties through the efforts of voluntary trade boards of conciliation and arbitration, that is, private boards that are established by employers and employees voluntarily, the members of the boards being selected from the employers and the employees. The moral principle lying back of the establishment of such boards is one which should be recognized at the outset. It is not new, nor does it contain any revolutionary elements. The prophet Isaiah, a citizen of Jerusalem, and a man who was considered in his day of great importance by his neighbors, became alarmed at what he thought an impending national calamity. He therefore undertook to point out to the citizens of Jerusalem their particular sins of omission and commission, the wrongs which had been done, and to prophesy to them the results of their actions. When he had made a strong arraignment he said: "Come, now, and let us reason together." This was about 750 years before Christ. The great prophet knew

that by reasoning together people could come to see more clearly than by any other method the real dangers which confronted them. There would be a comparison of views, a free discussion of suggestions relating to remedies, and out of the reasoning together Isaiah hoped to bring better conditions. This is the crucial point of conciliation, and the experience of some European countries that have had the best results has been along the very line laid down by Isaiah, and has led to the most peaceful and satisfactory conditions so far as the relations of employer and employee are concerned. They have reasoned together, and thus by reasoning have conciliated each other, and so avoided an open issue and hence the necessity for any arbitration. Arbitration can have no place when conciliation is successful, and conciliation should be the very first resort of all disputants, whether in industrial or other affairs. Failing this moral method, a board of arbitration then becomes a reasonable resort of disputants.

In my treatment of this subject I shall make no attempt at originality, even in the form of expression. I shall use the statements which have appeared in my own official reports, for which I need not give credit, and shall not hesitate to take statements from other official documents wherever necessary, for my purpose is to be as brief as possible in the hour allotted me, and at the same time to indicate what appear more and more to me to be the true methods of adjusting industrial disputes. I have therefore drawn freely from well-known official documents.<sup>1</sup>

<sup>1</sup> For valuable information relative to the extension and working of voluntary or private trade boards of conciliation and arbitration abroad, see reports on industrial conciliation and arbitration pub-

The application of the old biblical doctrine of reasoning together in industrial matters was first applied in France, and it is interesting, both from a moral and a historical point of view, to understand the real basis of the modern voluntary trade boards of conciliation and arbitration. We shall then understand more clearly the evolution of those boards which now exist and which are accomplishing so much. Speaking broadly, it may be said that industrial conciliation and arbitration were recognized originally as methods of settling industrial disputes early in the present century in France. Trade guilds had existed in that country, and trade matters had been regulated by them, instances of such regulation running back to the Middle Ages. The guilds were abolished, however, during the reign of Louis XVI. In 1806, after some years of unsatisfactory legislation, the working men of Lyons made a request upon the government, and the first Napoleon, in accordance therewith, established courts of arbitration and conciliation. These early and simple courts have been continued until the present time under the title of "*Conseils des Prud'hommes*," or councils of experts. These councils are practically judicial tribunals, constituted under and by the authority of the Minister of Commerce, but through

lished by the Massachusetts Bureau of Statistics of Labor in 1881; Dr. E. R. L. Gould's paper at the Congress of Industrial Conciliation and Arbitration held in Chicago November 13-14, 1894; the reports of the Royal Commission on Labor (British), especially the volumes on France, Germany, Switzerland, and Italy; Mr. Joseph D. Weeks's reports, especially his address at the Chicago conference in 1894; Mr. John B. McPherson's report (with rules and regulations), on "Voluntary Conciliation and Arbitration in Great Britain," published in the *Bulletin* of the U. S. Department of Labor, No. 28, May, 1900; and the *Encyclopedia of Social Reform*.

the local Chambers of Commerce. It is their composition that chiefly interests us at this time. They are made up of an equal number of employers and working men members, each class electing its own representatives, but with a president and vice-president named by the government. The authority of the councils of experts extends to every conceivable question that can arise in the workshop, not only between the workman and his employer, but between the workman and his apprentice or his foreman. They cannot, however, settle future rates of wages, this being done only by mutual agreement. When the dispute comes to a direct issue arbitration is compulsory upon the application of either side, and the courts can enforce the decisions of the board of arbitration in the same manner that the decrees of any court of law are enforced.

It is especially in the stages of conciliation that the workings of these courts have been beneficial to French industry. Probably more than ninety per cent. of all cases brought before them have been settled. The statistics in relation to the settlement of disputes give a most satisfactory showing, but fall far short of giving full expression to the great benefit which they have been to French industry, especially in removing causes of differences and in preventing them from growing into open disputes. M. Chevalier, in speaking of their services to French industry, enthusiastically exclaimed that they constitute one of the noblest creations with which this century is honored. They contain the germs of the private boards of conciliation and arbitration, and their experience has always been referred to as an unanswerable argument for the creation of such boards.

Similar tribunals exist in Belgium, but their experience



has not been so thoroughly marked by the success that has accompanied those in France. This may be in some measure due to the fact that the Belgian boards have in some cases criminal jurisdiction.

A law having some of the elements of the French law, and probably framed from it, was placed on the statute books in the reign of George IV., in 1824, but it remained practically a dead letter. England did not possess the organizations necessary to its successful workings, and both employer and employed objected seriously to its compulsory features. Mr. Rupert Kettle, one of the champions of industrial conciliation and arbitration, did not hesitate to say, referring to it, that "It is agreed that, according to the spirit of our laws and the freedom of our people, any procedure, to be popular, must be accepted voluntarily by both contending parties"; and it is true that the experience of the British people, so far as their history of conciliation and arbitration is concerned, fully justifies Mr. Kettle's opinion. So much for the foundation principles, both morally and practically, of the modern method of conciliation and arbitration prevailing largely in England and to some extent in other countries.

The manufacturers and working men of England long ago recognized the disastrous results of industrial wars and their futility, and they set themselves to originate ways to avoid, if possible, trade disputes, and, if the avoidance were found impossible, to try some method of arbitrating and settling them in peaceful ways. They grew tired after many years of the destructive methods that had been in vogue; that is, great strikes lasting for many weeks, long-continued contests between capital and labor, resulting in great loss and suffering. They

were tired, too, of jealousies and vindictiveness, and from 1860 on, and even beginning at an earlier date, the doctrines of conciliation and arbitration have been taking deep root, until at present there are very few trades and hardly a trade centre in England which has not its boards and committees organized to bring quiet and contentment, or at least to reduce the discontent, to both masters and men. And these efforts are independent of law.

In addition to the legislation just referred to, England in 1837 amended her Act of 1824, which provided for compulsory arbitration, making resort to the boards somewhat voluntary, but where an agreement could not be reached reference was made to the appointing magistrate, that is, the magistrate appointing the board. In 1867 another measure, known as the Councils of Conciliation Act, was passed, by which it was meant to extend voluntary arbitration provided that any number of employers and workmen in a particular trade might agree to create a council of conciliation or arbitration, but when created it should be licensed by the government to exercise all the powers permitted by the compulsory act of 1824. In 1872 the Masters and Workmen Arbitration Act was passed. This provided for an option to both parties between a board, a council, and standing arbitrators. The latest act is that of 1896, which repeals the acts of 1824, 1867, and 1872. This latest statute is entitled "An Act to make better provision for the prevention and settlement of trade disputes." It provides for the registration by the Board of Trade of any board established for the purpose of settling disputes between employers and workmen, and contains provisions regarding the settlement of such disputes. Boards under it

may inquire into the causes and circumstances of the difference, may take steps for the purpose of enabling the parties to the difference to meet together, by themselves or their representatives, and on the application of employers or workmen may appoint a person or persons to act as conciliator or as a board of conciliation. Such boards may also, on the application of both parties, appoint an arbitrator.

I refer to this legislation on the part of England simply to show one of the elements of the evolution of their particular kind of industrial conciliation and arbitration, for all the legislative attempts in England have been failures, some of them abject failures; but that method we are dealing with, on the other hand, has had a thoroughly honorable and satisfactory history, which begins in 1860 or thereabouts. Previous to that year, which must be considered as marking an epoch in the history of industrial conciliation and arbitration in England, there had been frequent attempts at the settlement of industrial disputes. Legal sanctions, however, were never sought for the awards. They were loyally accepted without any constraint, except a man's sense of honor and a certain *esprit de corps* both among the employers and employed; and these voluntary attempts were not only frequent but were used in some trades systematically, especially in the pottery trade, one of the most difficult in which to harmonize the conflicting views of capital and labor, by reason of the large number of trades into which labor is divided and some peculiar customs which have been regarded as invested rights. Yet in this trade there has not been a general strike since 1836, and those interested in it do not hesitate to give the reason for such a long period of industrial peace as the settlement of

disputes by voluntary arbitration. Their contracts for hiring contain a clause providing that "If any dispute arise between the parties as to the price or wages to be paid, by virtue of such an agreement, the dispute shall be referred to an arbitration board of six persons, to consist of three manufacturers, chosen by the masters, and three working potters, elected by the working men." This clause has prevented strikes in the pottery trade for many years.

These efforts in the pottery and other trades were desultory and preliminary to the real history and success of the private conciliation and arbitration movement in England prior to 1860. The principle was often appealed to in many trades, though in none does it appear to have worked as well or even to have been tried so continuously as in the pottery trade. As the result of the trials there had grown up, especially among the work-people, a very decided feeling in favor of industrial arbitration and a willingness to at least give it a trial, and this willingness doubtless rendered the attempts to establish it as a principle much surer of success.

It was late in the year 1860 when, mainly through the efforts of Mr. A. J. Mundella, the first permanent or continuous board of arbitration and conciliation in England was established. This was in the hosiery and glove trade at Nottingham. The distinguishing feature of Mr. Mundella's board, or, rather, the board organized by his efforts, and at the same time the peculiar characteristic of arbitration since 1860, lies in the fact that it is systematic conciliation and arbitration organized on a purely voluntary basis, without an appeal to legal processes, even to enforce its decisions. Its novelty, therefore, is not that it is systematic, for the French *Conseils*

*des Prud'hommes* were that, but that it is both systematic and voluntary, and the French boards were not.

I need not, of course, in this presence spend much time in showing the difference between conciliation and arbitration. Arbitration is a generic word, and the one more commonly and popularly used in referring to the settlement of disputes. Arbitration must be carried on in a formal manner; it deals with the larger questions of trade. Conciliation is not formal. It does not attempt to sit in judgment and decide in a given case what is right and what is wrong, but its efforts are directed in a friendly spirit to the adjustment of differences by inducing the parties to agree among themselves. Each says to the other, "Come, let us reason together," and conciliation removes causes of dissensions and prevents differences from becoming disputes by establishing a cordial feeling between those who may be parties to the same. Briefly, then, it may be said that conciliation is informal arbitration, and that arbitration, on the other hand, is formal; it sits in judgment.

It is the preventive feature which gives conciliation a value beyond estimation. It involves the moral attitude of the two parties, or rather the ability of each morally to consider the attitude of the other. Probably the very essence of its strength lies in the fact that arbitration is back of it, or, at least, that arbitration may be resorted to provided conciliation fails to effect its purpose; because, ultimately, where parties cannot reason together there must be the power to determine, and where that power is voluntarily given to the representatives of each party involved it becomes arbitration, and arbitration can accomplish at certain points in the dispute what conciliation is powerless to bring about.

Reasoning along these lines, the Nottingham system of arbitration and conciliation, the first great systematic effort, becomes historic. Mr. Mundella was connected with the hosiery and glove trade, which is one of the most localized in Great Britain, being carried on only in the immediate vicinity of Nottingham, Nottinghamshire, Derbyshire, and Leicestershire. Here, then, was a concentration of one class of skilled labor, the concentration naturally and logically leading to union. Prior to 1860 the relations between the employers and the employees in these trades were about as uncomfortable and even ugly as could well be imagined. From 1710 to 1820 there was a frightful list of murders, riots, arson, and machine-breaking recorded, all growing out of the differences which arose from time to time. Machine-breaking was punishable by death under a law passed early in this century, and in 1816 six persons paid the penalty. After that, while the worse features of industrial strife disappeared in a large measure, the relations were in no wise improved, and the strife assumed various forms. Suspicion, lack of confidence, hatred—all the things that lead to industrial warfare—existed. There was also arrogance, oppression, and a strong hatred on the part of the employers. Strikes and lockouts were constantly occurring, and no judicious, effective effort was made to end them, nor was there any honest effort made to secure peace. In 1860 there were three strikes in one of the three branches into which the hosiery trade is divided, one of the strikes lasting eleven weeks, and it was during this strike that the board of arbitration and conciliation was formed. Though the strike was confined to one branch, it was soon discovered that it was supported by the working men in the other branches, and,

in what they considered self-defence, it was proposed by the employers to lock out the entire body of working men in all branches. Some of the employers, Mr. Mundella among them, shrank from the misery and suffering, and perhaps even crime, that would be the result. Some of them thought they might devise some better means of settling the difficulty. They had heard of the French experiments in the early part of the century, and so Mr. Mundella says that he and one or two others built up a scheme in their imagination of what they thought might be done to get a good understanding with their men and to regulate wages. At a meeting of the manufacturers a committee of three was appointed to invite the workmen to a conference, which invitation was accepted. Mr. Mundella briefly tells the story:

“ We three met perhaps a dozen leaders of the trades-union ; and we consulted with these men, told them that the present plan was a bad one, that it seemed to us that they took every advantage of us when we had a demand, and we took every advantage of them when trade was bad, and it was a system mutually predatory. And there is no doubt that it was so : we pressed down the price as low as we could, and they pressed up the price as high as they could. This often caused a strike in pressing it down, and a strike in getting it up ; and these strikes were most ruinous and injurious to all parties, because, when we might have been supplying our customers, our machinery was idle ; and we suggested whether we could not try some better scheme. Well, the men were very suspicious at first ; indeed, it is impossible to describe to you how suspiciously we looked at each other. Some of the manufacturers also deprecated our proceedings, and said that we were degrading them, and humiliating them, and so on. However, we had some ideas of our own, and we went on with them ; and we sketched out what we called a Board of Arbitration and Conciliation.”

The result of the conference was the organization of  
“ The Board of Arbitration and Conciliation in the

Glove and Hosiery Trade." This was the first permanent board established. Very simple rules were adopted, and they have worked so well in most particulars that they have hardly been amended since the day the board was created. The object of the board is declared to be to arbitrate on any question of wages that may be referred to it, and to endeavor by conciliatory means to put an end to any disputes that may arise. The board consists of twenty-two members, half operatives and half manufacturers, elected for one year, each class electing its own representatives. The delegates have full powers, and the decisions of the board are considered binding upon all. There is a provision for a committee of inquiry, to whom all differences must be referred before the board will act upon them. This committee has no power to make an award, but acts only as conciliator. A month's notice is to be given to the secretaries before any change in the rate of wages will be considered.

The workings of this board are very interesting. The original plan had some faults, which were corrected later on and by the creation of boards in other trades; but the experience of the hosiery and glove trade was so satisfactory that others followed its example and some three years later the building trades of Wolverhampton adopted a system of arbitration, differing, however, in some essential particulars from the Nottingham board. It is interesting to know that the Wolverhampton plan was worked out without any knowledge on the part of its chief promoter of what had been done at Nottingham, except the general information of the success there. This attempt avoided some of the errors of the Nottingham plan, but it lacked some of its admirable features,



and necessarily so, because the building trades are peculiarly liable to industrial disputes, over customs and some other things, as well as wages, that do not come into the trades devoted to the production of goods.

Prior to 1864 the building trades of Wolverhampton were involved in many strikes seriously interfering with the business of the town. One in 1863 lasted seventeen weeks, and left a feeling of discontent that promised trouble in the future. It would take up too much time, however, to point out the differences in the two boards, that of Wolverhampton and that of Nottingham. They both involve the same general principle—that of men and masters, to use an English expression, settling their own affairs, reasoning together. But it is important to know that the boards of arbitration existing in England embody the best characteristics of the Nottingham and Wolverhampton systems. They may differ in detail, but their fundamental features are the same. They are voluntary, and they are composed of an equal number of employers and employed, each class selecting its own representatives. There is in all the boards a provision for conciliation without convening the entire membership. Regular meetings of the board are provided for, whether there is any business to be transacted or not, and in some form or other there is a power to which either party can appeal without pride or shame that has authority to determine as well as to hear, and whose decisions are received without exultation or humiliation, that is, an umpire.

The next great trade to adopt the features of voluntary conciliation and arbitration was the iron trade. Then the coal trade followed suit, and so the system is established independently of law. Its workings were

such that many other industries became interested, and were glad to relieve themselves of industrial warfare.

It may be asked, What are the most recent experiences in Great Britain under a system which has existed for forty years? A fairly adequate answer may be made, and one which ought to be very encouraging to the industrial interests of this country. One of the most recent controversies, as well as one of the largest and most wide-reaching, among English workmen was that between the Amalgamated Society of Engineers, or, as we call them, machinists, and the Employers' Federation of Engineering Associations in 1897. The immediate cause of the conflict was the demand for an eight-hour day. After many attempts at settlement, propositions by each party and counter-propositions by the other, and the rejection of propositions, this severe industrial war was brought to an end January 31, 1898, the struggle lasting more than thirty weeks. Many conferences had taken place, but after a few months the lockout extended and suffering and privation increased among the men. January 13, 1898, the London joint committee, which ordered the strike, the controversy being a combination of strike and lockout, passed a resolution to withdraw the demand for the eight-hour day. Notice of this action was given to the employers, who consented to incorporate in the terms of settlement notes and explanations tending to protect the interests of the trade-unions, and the men were advised to accept the offer. This was accomplished by a vote of 28,588 in favor and 13,927 against the proposition. In the end the men lost the eight-hour day, the first cause of the struggle, but gained some formal recognition of trade-unionism, which the employers all the while protested they were not fighting

and had no desire to crush. The chief points of the terms of settlement, so far as this paper is concerned, are contained in a note stating that there is no desire on the part of the federation (the employers' organization) to create a specially favored class of workmen; that with a view to avoiding disputes in future a deputation of workmen will be received by their employers, by appointment, for mutual discussion of questions in the settlement of which both parties are directly concerned, and that in case of disagreement the local associations of employers will negotiate with the local officials of the trade-unions. In the event of any trade-union desiring to raise any question with an employers' association, a meeting can be arranged by application to the secretary of the employers' local association to discuss the question, and failing settlement by the local association and the trade-union of any question brought before them, the matter can be forthwith referred to the executive board of the federation and the central authority of the trade-union. Pending the question being dealt with, there must be no stoppage of work, either of a partial or a general character. Work must proceed under the current conditions. A grievance may be brought forward for discussion either by the workman individually concerned, or by him and his fellow-workmen, or by the representatives of the union. In no instance, however, do the federated employers propose conditions which are not at present being worked under by large numbers of the members of the allied trade-unions.

There are, of course, different opinions among the officers and members of the Amalgamated Society of Engineers relative to the wisdom of these results. Some of them think that the provisions of the agreement have

not worked to the advantage of the men, but, instead, have resulted in ill feeling. The men themselves prefer an independent board made up of men not connected with the trade, but the employers reject the intervention of third parties. The men are not hostile to the principle of arbitration, provided independent persons can be secured to act. In the settlement agreed upon, however, there is no provision for reference to a third person, and if the representatives of the masters and men cannot agree nothing but a rupture will ensue. They have had local arrangements for conciliation and arbitration, but not for the whole society before the strike of 1897-98.

Many of the men and many of the employers do not regard arbitration as an entirely unmixed good. Much depends upon how it is brought about and conducted. In the arbitration already agreed to by the masters they have made provision, as far as possible, to avoid splitting the difference. This has proved fairly satisfactory. The employers prefer men accustomed to dealing with evidence and facts, and they always decline a man who smacks of politics. Oftentimes the matter in dispute is one of principle, on which there can be no splitting of the difference.

The conciliation board has saved immense sums of money for the shipbuilding yards, and there is a growing disposition on each side to settle disputes amicably. There is much less heat and fire, and the men are far more ready to adopt peaceful means of settlement than at any previous time in their history.

The Miners' Federation of Great Britain contains about 230,000 financial members, and comprises in its membership the miners of Scotland, Wales, and England,

except those of Durham and Northumberland, who have an association of their own. In 1893 one of the greatest contests in the entire kingdom occurred in the coal trade. It began in June, the owners asking for a reduction of twenty-five per cent. in wages, based upon the standard of 1888. Joint meetings were held, but the men declared that there was no living wage in that year, and it is also a fact that the collieries did not pay the owners. The debates and arguments in these joint meetings were, of course, exceedingly important. Work had ceased by the 28th of July, 1893, and on August 23d a resolution was passed by the Miners' Federation that it would not submit to a reduction in wages. So the issue was sharply defined. Widespread distress prevailed and great losses were caused by the long-drawn-out strike, facts which attracted the attention of the Prime Minister, at that time Mr. Gladstone. After many weeks of effort the parties seemed almost as far apart as when the strike began, and Mr. Gladstone suggested a conference under the chairmanship of Lord Rosebery, who was not to act as an arbitrator or umpire, but should confine his action to offering his good offices in order to assist the parties in arriving between themselves at a friendly settlement of the questions in dispute. A meeting was held November 17th, and after sitting many hours a settlement was effected, providing that a board of conciliation be constituted forthwith, to last for one year at least, consisting of an equal number of coal owners and miners' representatives—fourteen each. It was provided that at their first meeting they should endeavor to elect a chairman from outside, and if they failed they were to ask the Speaker of the House of Commons to nominate one, the chairman to have a casting vote. The board, when

constituted, was to have power to determine from time to time the rate of wages on and from February 1, 1894. The first meeting was to be held December 13th, and the men were to resume work at once at the old rate of wages until February 1, 1894. It was also agreed that all collieries, so far as practicable, should be reopened for work forthwith, and that no impediment should be placed in the way of the return of the men to work. When the board met it could not agree upon a chairman, and the Speaker of the House of Commons appointed Lord Shand, a law lord of the Scottish bar.

The first meeting of the new board was held in December, 1893, but it did not work very satisfactorily. Further conferences were held, and in June, 1894, in the absence of the independent chairman, the representatives of the owners and of the miners agreed that wages should be reduced ten per cent., making them thirty per cent. above the standard of 1888, and, further, that there should be no reduction for two years, but that the board could raise wages fifteen per cent. above the standard. Further trouble occurred in 1896 and 1898, however. In the latter year the owners pressed for a renewal of the conciliation board, and it was resuscitated, principally on the old lines, although the minimum wage feature was retained and the chairman was given a deciding vote in case of inability to agree. No difficulty was experienced, as was the case when the board of 1893 was formed, in selecting the independent chairman. The men's representatives named Lord James, who was accepted by the masters. Provision was made, however, for the selection of a chairman in case of disagreement, and that power was lodged with the Speaker of the House of Commons.

The rules then adopted (1898) provided for a board to be known as "The Board of Conciliation for the Coal Trade of the Federated Districts," to determine from time to time the rate of wages as from January 1, 1899, the board to consist of an equal number of coal owners or coal owners' representatives and miners or miners' representatives,—fourteen of each,—with a chairman from outside, as stated.

In January, 1899, the men applied for an increase of seven and one half per cent., and after a long discussion the rate was granted. Under the rules and custom, when an increase or decrease is demanded by one side or the other a fixed sum must be named, and the chairman must decide the question submitted to him. He must give either the per cent. demanded or nothing; there can be no splitting the difference. This provision overcomes an objection to the independent umpire which is frequently urged, as the disposition of such an official, when he can play the part of a compromiser, is to give something to the side making the demand; and this is especially true when the umpire belongs to the political class and has the chance to make a play for popularity.

Like the Amalgamated Society of Engineers, the members have different views relative to the effectiveness of the method provided. One prominent representative of the employers insists that no technical knowledge is required for the independent chairman, and that it is best to have a man not connected with the trade, for both sides are governed by their own views and often lack balance and judicial minds. The weakness in the present board is that there is no provision for enforcing the decision. A man can give two weeks' notice to quit;

and if an employer does not abide by the decision pressure is put upon him by the masters' board, but he can withdraw from the federation and forfeit the money he has paid to the association.

It is also the opinion of some of the members that both sides should have large funds, for if each side is well supplied with money there is hesitation about wasting it.

The Northumberland coal trade has its board of conciliation and arbitration, which has worked with general satisfaction, there being here and there, of course, parties who object not only to methods but to results.

The boot and shoe trade of Leicester represents over two hundred and fifty boot and shoe factories, which have sprung up during the past forty years. The federation numbers about eleven thousand men. In 1895 there was a serious lockout caused by the introduction of machinery. After six weeks' struggle the terms of settlement were agreed upon, one of the provisions being that certain sums of money should be deposited in the hands of trustees as a guaranty for the carrying out of the provisions of the agreement, and a trust deed was executed by which each side deposited £1000 as a fund from which fines for breaches of the rules should be levied. Their method is to constitute a board consisting of representatives of both sides and an umpire. With very few exceptions, the agreement has worked in a very satisfactory manner.

The experience of the one hundred and forty factories engaged in boot and shoe production in Northampton has been fairly satisfactory. After the strike of 1895 terms of settlement were reached under which it was



agreed that there should be a joint committee of representatives of the employers and workmen, four of each, to determine the principles and methods of arrangement and classification on which piece-work statements for machine workers shall be based; that there may be various local boards of arbitration and conciliation, consisting of equal numbers of representatives of employers and workmen in the Northampton district, thus reconstituting the old boards, revising, however, the rules so far as was necessary, with a view to greater uniformity in the methods of the joint committees of representatives of employers and employed sitting as boards. These reconstituted boards are to have full power to settle all questions submitted to them concerning wages, hours of labor, and the conditions of employment of all classes of work-people within their districts, when it is found impossible in the first place to settle such difficulties between employers and employed. Only once since the settlement was made in 1895 between the Federated Associations of Boot and Shoe Manufacturers and the National Union of Boot and Shoe Operatives has an umpire been called upon to make a decision of award for breach of compact.

In February, 1899, a strike occurred at the shoe-shop of a London firm, a member of the Federated Association, the trouble arising over the classification of material. The proprietors were willing to submit the matter to the board of arbitration for classification, but the men refused to appoint one of their number to the board and prevented this from being carried out. So the manufacturers made a demand for an award of damages from the trust fund. When this demand for compensation was made many felt that the testing time of the value of

the terms of settlement, and practically the existence of the board of arbitration, had come. Lord James, the umpire agreed upon previously, heard each side, and on the 10th of June rendered his decision, which was that out of the sum of £1000 deposited with the trustees, £300 should be paid and forfeited to the Federated Association. It is interesting to note that the Monthly Report of the National Union of Boot and Shoe Operatives, referring to this award of Lord James, remarked that "The fine of £300 imposed on the union for the breach by our London members we hope will be a warning to executives not to break away from rules and agreements entered into, for while the agreements are in existence we have every desire that they shall be honorably carried out by both sides."

The North of England iron trade has had much experience in the use of trade boards. Sir David Dale, one of the best-known iron manufacturers in the world, has had much to do in bringing about settlements. The district represented by the manufactured iron and steel trade of the North of England has a board of conciliation and arbitration, the object being to arbitrate on wages or any other matters affecting the respective interests of the employers and operatives, and by conciliatory means to interpose its influence to prevent disputes and put an end to any that may arise.

So, too, the iron-mining interests, while having no active board, have a joint committee of six owners and six representatives of the men. This method has been in operation almost thirty years. The joint committee deals with local questions affecting individual places, wages, and other matters.

The Boiler Makers and Iron and Steel Shipbuilders'

Society has been in existence for more than sixty years, and is one of the wealthiest trade-unions in England. There has been no strike in their trade for many years, more than a score, and this is accounted for by the conciliatory features which exist and the great powers given to the executive council of the union. There is no actual board of conciliation, but an agreement between the Tyne, Wear, Tees, and Hartlepool shipbuilders and the executive council of the Boiler Makers and Iron and Steel Shipbuilders' Society. This was signed July 5, 1894, to continue five years.

The Scottish manufactured iron trade has also had experience in recent years in the matter of trade conciliation and arbitration. In September, 1896, at the suggestion of the operatives, negotiations were begun between the employers and workmen engaged in the manufactured iron trade of Scotland, with a view to the establishment of such a board on the same lines with that of the North of England, already referred to. A conference proved the existence of a feeling on the part of employers and employed that the meeting together of representatives of the masters and operatives, by whom grievances could be discussed and disputes amicably adjusted, would conduce to mutual confidence and harmonious co-operation, and would be for the best interests of the trade. As a result a board was formed in March, 1897, including twenty works, owned by eighteen firms, only one manufacturer in the West of Scotland not being a member of the board. Sir James Bell, ex-lord provost of Glasgow, was unanimously chosen arbitrator, but during some years of the board's existence his services have not been needed.

The Nottingham lace trade is another industry that

has had large experience in the workings of boards of conciliation and reference. They have had these boards since 1868, and the changes have been comparatively few and slight since then, only those being made where experience has shown some weakness. They have penalties for not complying with the decisions of the board, which were added in 1895, and also retained in the rules adopted in 1898. There was a great dispute in 1889, lasting over eight weeks, and ending with a twenty per cent. reduction in wages. There are frequent fluctuations in the lace trade, which is largely affected by foreign competition, especially French and German; so the board meets on an average once every week in the mayor's parlor. General trade conditions are not discussed, but may be quoted in support of arguments. Wages are not determined by the profit. Custom originally fixed wages in the olden days, but they have been scaled down gradually to fit present conditions. The most friendly relations have been engendered between the two classes by these frequent meetings of the board, which have created a feeling of equality as nothing else could. There cannot be a trade where there is a better feeling existing, and this despite the fact that the men are necessarily idle for eight months, the season running only from November to March. If this trade can manage disputes, any trade can, for there are infinite varieties of lace and infinite chances for disagreement. They have almost reached the position where they consider the question in the abstract. If a man is discharged or stops work, the dispute is never considered until he is reinstated or resumes work. It is not sufficient that he may return; he must actually be at work before the board acts. If he is a recalcitrant member of the manu-

facturers' association who withdraws, that leaves the workmen free to strike the shop.

In the cotton trade, one subject to great disputes, there exists the Northern Counties Amalgamated Association of Weavers, consisting of eighty thousand members. A joint committee is employed for the settlement of disputes between employers and men in both the weaving and spinning trades. There are six representatives of each side, one being taken from each town, so that an unbiassed tribunal is secured from which personal feeling is eliminated. There has never been a single case, except a demand for a general advance in wages, which has not been settled without a strike.

A board for the potteries trade was established in 1868. There had been previous arrangement for small arbitration of minor disputes, but in 1868 a permanent board, constructed on the principle of equal representation on each side, with a permanent umpire, was established. Distinguished men acted as umpires in this trade, such as E. J. Davis, Mr. Kettle, Mr. Mundella, Judge Hughes, and Lord Brassy. The board was extremely useful and successful in settling a large number of disputes relating to individual men and branches in the trade, and had during its existence seven or eight great arbitrations, in which the interests of all operatives were involved. The board was reconstructed in 1884 or 1885, in the meantime a court of conciliation working for the settlement of small disputes. In November and December, 1898, a section of the employers asked the men to combine with them to raise simultaneously selling prices and wages. With no board in existence in the trade, in case of dispute between the employers and employed the two sides endeavor to have each appoint

an independent person as arbitrator, and the two so chosen to appoint an umpire. The question in dispute is then referred to this tribunal, which hears the employees or their representatives and the manufacturers or their secretary.

A large industry in England is that of dyeing and its associated trades. In July, 1891, the workmen's association of West Riding, in Yorkshire, which was in excellent working order, gave a sharp and short notice to one of the leading firms in Huddersfield that unless certain demands were granted forthwith the men would go out on a strike. The firm, having no association to back it and being busy at the time, conceded the demands, and then convened a meeting of master dyers to consider the advisability of combining. The men wished to see the masters organized, so that the associations could help each other and could form a board of conciliation. In October, 1892, the men's secretary and four delegates attended a masters' meeting, when it was resolved to form a board of conciliation. There were some difficulties encountered, but in 1894 a board was formed and held its first meeting. To show the good feeling created by this board the following notice was posted a month later by the West Riding Dyers' and Finishers' Association:

"It has been brought to our notice that some of the dyers, finishers, millers, and scourers of West Riding have urged as a reason for not joining a trades-union that if they did and the employers knew this they would be dismissed for so doing. We hereby give notice that any man in our employment is at liberty to join any trades-union he may wish to join, without any fear of such action on our part."

The board of conciliation between the masters' asso-

ciation and the amalgamated society of dyers was registered by the Board of Trade October 29, 1896. Except slight misunderstandings of a very temporary nature, the association has worked most beneficially for all parties concerned. There has been very recently a reconstruction of the rules with a view to enlarging their scope and probably establishing a fund from which fines could be deducted, but I have no report of this reconstruction.

The cotton-warp master dyers joined the West Riding Dyers' and Finishers' Association and constituted a board of conciliation in 1897, and in May, 1899, the employers issued a circular to the trade and to the men's association in Lancashire and Yorkshire seeking to create a powerful and united board of conciliation for the two counties, including every branch of the dyers' and finishers' trade. I believe this has been accomplished, but am not fully informed. Representative men on both sides believed that such a board would be of very great service. Before the establishment of the boards difficulties were constantly arising and there was growing discontent, which, while more particularly affecting individual firms, culminated in strikes and lockouts. Since the establishment of the boards these have been obviated. In one or two cases, through misunderstanding, when the men forgot the rule and went out without bringing the dispute to the attention of their committee, the matter was soon set right and the men returned to work. The contact in the meetings has helped to a better understanding and a better knowledge all around, with favorable results to both masters and men. The secretary of the masters' association does not hesitate to say that the boards work with every satisfaction.

There is in London an association formed to prevent

strikes and lockouts, known as the London Labor Conciliation and Arbitration Board. It was the direct outcome of the great strike of the dock laborers in London in 1889. A suggestion from the Chamber of Commerce to submit their differences to some sort of arbitration met with refusal from both parties to the dispute, but the effects of the strike were so disastrous and disturbing to business in London that a committee was appointed by the council of the Chamber of Commerce to investigate the whole question of labor conciliation and arbitration, with instructions to report, if advisable, some scheme for the prevention of disputes and for settling them if they should arise in the metropolis. So this board of conciliation and arbitration was organized as the result of the efforts of the Chamber of Commerce. It consists of twelve representatives chosen by the Chamber of Commerce, and one representative from each of the twelve groups into which the trades of London were divided. There are the building trades, cabinet and furnishing trades, carmen, coach, tram, and 'bus employees, clerks, shop assistants, and warehousemen, clothing trades, gas, coal, and chemical trades, leather trades, railway workers, metal trades, printing and paper trades, provision and food trades, and shopping trades. Each trade is united to form a separate conciliation committee. This committee, consisting of experts in a particular trade, is composed of equal numbers of employers and employed, chosen by their respective orders. To such a board any dispute in its own trade is submitted, provided the two sides agree to such submission. In this way any grievance can be amicably discussed before it reaches an acute stage. If the board is unable to reach an agree-



ment it then offers facilities for arbitration, and in the event of this being refused the two sides retain all their rights to become belligerents. At first this board decided not to interfere in any dispute unless application came from the parties to the board, but it was found from experience that it was sometimes considered a sign of weakness if one or the other contestant made an application for the good offices of the board. The latter has therefore adopted a rule that whenever a dispute is heard of as pending or about to begin, a communication be sent to each side inviting them to meet at the Chamber of Commerce. The first effort is to get the parties together, and, if possible, to help them in settling their differences. This is the method preferred, for they believe that it is much better for employers and employed to settle their differences between themselves without outside interference. Such a settlement is in the nature of a bargain after mature deliberation and careful discussion. If, after coming together, the parties fail to agree, then the board offers to appoint arbitrators and investigate the trouble in a regular arbitration.

This board met for the first time on the 12th of December, 1890. The amount of work done by it is somewhat limited, of course. The matters settled or arbitrated have not, as a rule, affected any considerable number of work-people, and yet the workings of it have been successful and satisfactory to those accepting its suggestion of mediation. The fact is that not since the board was organized have the services of an umpire been needed, nor has there been a single case of repudiation of a decision. On an average, seven or eight cases have been considered in one way or another by this board during each year since its formation.

The method pursued by the London Chamber of Commerce has been approved by the associated Chambers of Commerce of Great Britain, and conciliation boards have been formed in many of the trade centres of the kingdom. The lines on which they have been organized vary in details, but in general scope they are modelled after the London board.

The secretary of the National Society of Amalgamated Brassworkers, in his annual report for 1898, calls attention to the fact that the executive continues to devote its energies to obtain advances of wages and prices and to remove anomalies and grievances; that it never misses an opportunity to settle differences by mutual negotiation, avoiding wherever it can a trade conflict. After twenty-six years' experience it has been conclusively proved, he says, that it is far better to avert strikes and lockouts than to encourage or provoke them, and he testifies that boards of conciliation have worked to the advantage of employer and workmen; that differences which might have led to abstention from work have resulted, when discussed by both sides, in happy solutions, and that on no occasion have such means been unequal to the task of arriving at a mutual settlement.

Again, in 1899, he reported that the executive had been actively engaged throughout the year in directing the policy of the society and its agencies, and also in advising the members in difficult and trying circumstances; that whenever it could, it preferred to settle by conciliatory rather than by arbitrary means, and that in this spirit nearly one hundred cases of dispute had been adjusted to the satisfaction of employers and workmen. Instead of there being any abatement or lack of interest in its arduous labors, the secretary stated that its energies

had been redoubled, to the profit and advantage of all; that it had occasionally sanctioned the suspension of labor, but that this was in cases where the employers wanted to force members to work under conditions degrading to manhood and detrimental to them as wage-earners.

Prominent members of the brassworkers' society testify that cases of repudiation of agreement or an award are so exceptional that they are not worth mentioning in discussing the system; that if the points of reference are agreed to on each side it is almost the invariable custom that all concerned carry out the decision loyally.

Perhaps the greatest federation in all England is that for the Colliery Proprietors and the Miners' Federation of Great Britain. Since the coal strike in 1895 the joint board has worked harmoniously without any trade conflict worthy of note. In many of the English trades there are boards of conciliation, and disputes are prevented in the aggregate hourly. The principle has permeated and extended to all branches of trade. The moral effect has been to give the officials of the trade-union more power over their members. This has been used in the interest of sobriety, and also to steady the ardent or injudicious spirits who sometimes act more from feeling than from a logical consideration of grievances, or grievances too insignificant to go to war on. This power is transmitted from the fact that the employers act in a concentrated way through an association, whereas formerly they had no such association, and much guerilla warfare was the consequence. The men have gained by voluntary arbitration, and are everywhere strong supporters of it, being wise enough to see its advantages to their welfare.

On the Continent of Europe the experiences have not been so extensive as in Great Britain, yet they have been sufficient to testify to the moral excellence of trade conciliation and arbitration independent of governmental action. In Germany as well as in Austria, the inspectors of factories occupy a very prominent position in the industrial world, and they are peculiarly fitted to exercise a conciliatory influence upon both employers and employed. This influence they frequently exercise in the capacity of mediators, and their activity in this direction might even be more beneficial could they but overcome the distrust with which they are sometimes regarded by the working people. One remarkable instance of mediation was the intervention of the Emperor on the occasion of the Westphalian strike of 1889. Such intervention, of course, necessarily differs from the mediation of the private individual, in that it is impossible entirely to divest the action of the head of the state of a somewhat compulsory character. It cannot be doubted, however, that the Emperor's expressions of opinion contributed largely to the speedy termination of the strike. Efforts have been made from time to time in Germany to organize voluntary boards of arbitration and conciliation in the different industries, but, except in the printing trade, little has been achieved in this direction. The spirit, however, of the trade board is spreading in Germany, and the experience of different countries is contributing to its dissemination.

Switzerland, a country that is always trying social and economic experiments, has had some experience in the beneficial results of private boards. One important organization is the Swiss Reserve Fund. Whenever a strike is impending, this institution conducts a thorough

inquiry into all the circumstances of the case and makes every effort to obtain a settlement. This it does either by negotiations with the employers or through arbitration, and no strike receives its sanction until these means have proved unavailing. The association of employers and employed for the promotion of a common object, which was suggested some years ago by Herr Krebs, proved an excellent means of encouraging good relations and closer communication between capital and labor. Boards of conciliation and arbitration have been instituted in connection with many of the trade-unions, and in some of the cantons they have been established and supported by the cantonal governments. The Tribunes of Industrial Arbitration, which were instituted at Geneva in 1874, consisted of a justice of the peace as president and two arbitrators elected respectively by the employer and employed. These arbitrators, however, acted from political motives, and hence the boards proved a failure. They were abolished in 1883 in order to establish *Conseils des Prud'hommes* on the French pattern.

A law authorizing voluntary boards of arbitration and conciliation was passed for the Canton Vaud in 1888, and in the following year boards were established at Lausanne, Vivis, Yverdon, and Ste. Croix. A voluntary board of conciliation and arbitration was instituted by the Canton of Zurich in 1889. A federation was first formed consisting of the employers' associations and trade-unions of that canton and the neighborhood. Its object was the prompt and gratuitous settlement of all disputes between employer and employed with regard to the hire of labor and the prevention by conciliation of all disputes as to the payment of wages, labor contracts, and questions of apprenticeship. The cantonal

law of Berne permits the creation of voluntary boards of conciliation, but in spite of petitions from both parties there has been no satisfactory experience under the law. Trade boards do not seem to have accomplished much yet in Switzerland, but they are spreading there, and as industry expands the necessity for their existence will be more thoroughly felt.

Denmark, during the summer of 1899, witnessed one of the sharpest labor wars of the century. There were no great riots or other disturbances, but growing out of a strike of a few carpenters in Jutland, who refused to observe certain regulations prescribed by their employers, a very large majority of all the manufacturers in Denmark combined to crush organized labor. The employers, through their new union, ordered a lockout, by which fifty thousand or more men were shut out of the factories. The lockout lasted through the spring and summer of 1899, but the opposing forces finally reasoned out their difficulties. So far as the workers themselves were concerned, their victory consisted in the fact that the board of arbitration which was agreed upon decided to refer the whole trouble back to the insignificant difficulty of the carpenters' strike at Jutland. So far as the employers were concerned, their victory consisted in the fact that they discovered that their own interests were better enhanced by arranging with the representatives of organized labor through the representatives of organized capital. The workmen's central union accepted the services of a board of arbitration. The employers' union insisted upon the points they had proposed, and the struggle continued until September. The final settlement was, of course, a compromise, the employers giving up the idea of crushing the labor organizations and modifying

most of their demands, and the workmen recognizing some of the important points advanced by the employers. It was provided in the settlement that no boycott should take place on either side following the signing of the agreement, and that all agreements when made should be respected and obeyed by all the organizations represented. The result was peace and prosperity. Mechanics and laborers of all classes returned to their tasks, and a better feeling prevailed between the employed and employers, for each discovered the inherent strength of the other, resulting in mutual respect.<sup>1</sup>

I need not refer to Italy, except to say that institutions for the settlement of disputes between labor and capital hardly exist in that country. There have been some efforts towards establishing trade boards in some parts of Italy, and the Labor Chambers sometimes assume the positions of arbitrators in disputes pending between masters and operatives. There is also a state board, but the experiences have not been sufficient to warrant any lengthy treatment. Such boards as are established under the law act both as boards of conciliation and as judicial courts. The board of conciliation is empowered to make friendly arrangements in all controversies. The arbitrators are elected by ballot by the whole body of manufacturers, foremen, and operatives, of both sexes, who have attained their majority and exercised their art or craft for a year, and who are neither criminals nor bankrupts.

In France the experience is more enlivening, and more to the point perhaps, because there the parent idea was born in the constitution of the *Conseils des Prud'*-

<sup>1</sup> For an excellent account of the great strike in Denmark, see *Gunton's Magazine* for April, 1900.

*hommes* ; but there are now in some trades joint boards of arbitration similar to those which I have designated as existing in England. This is especially true among the typographers of Marseilles. Since 1884, when there was more or less trouble, the most cordial relations have existed between the employers and workmen. Numbers of instances of the good work of the federation might be cited. Of course, there have been some unhappy experiences, but on the whole the experience has been fairly satisfactory.

It is the older associations existing in France which show the greatest anxiety to improve the position of workers by pacific measures. The federation of workers in the book trade is a striking example of this spirit, wherein agreements are made for the settlement of difficulties, the influence being to bring the two forces together on mutual understanding and with moral obligations. They have central committees, and every strike declared without authorization of the federation must be at the cost of the sectional committee.

Joint committees for conciliation have been formed, either by some of the mixed syndicates or by special arrangement between the separate syndicates in different trades. The joint syndical council for the paper trade was formed on the initiative of the employers in 1873, and was expressly on the model of English trade boards. Similar committees exist among the typographers and others at Rouen. Since the end of 1891 arbitration committees founded by the joint efforts of the syndicates of employers and employed in bleach-houses and laundries have been working satisfactorily for the department of the Seine and at Boulogne.

Perhaps the most impressive experience under this



method took place in the coal trade. During the past two years of 1899 and 1900 two of the most important strikes of the period were settled by recourse to voluntary arbitration. They are both of them notable examples of voluntary arbitration in France. The first strike was that of the employees of the famous iron-works of Mr. Schneider at Creusot, the Krupp of France. The strike started September 20, 1899, and included all the working men of the establishment. The next day it extended to the coal mines of Montchanin belonging to the company, and the number of strikers was thus raised to over ten thousand. The demands of the men were recognition of the union, better fulfilment of previous engagements regarding wages, and more consideration on the part of foremen and overseers. One of the great difficulties to a settlement was the unwillingness of the company to receive the secretary of the trade-union, who was not a member of the company's force.

The first part of October the men appealed to the government to arbitrate. The company likewise solicited the mediation of the government. M. Waldeck-Rousseau, the Prime Minister, accepted the task, and made his decision October 7th, in a formal document, in which the reasons for each point decided were given. This decision was accepted and the men returned to work.

The second strike was the general strike of coal miners of the Basin of the Loire during the winter of 1899-1900. The causes for the strike date back to the fall of 1898, when the Federation of Miners' Unions of the Department of the Loire made a formal demand in writing of the mine owners for an increase in wages, basing their demands on the rise in the price of coal and consequent augmentation of profits. This demand was

refused on the ground that as wages had not been reduced when the price of coal declined they should not be increased when the contrary movement took place, and, also, that the owners were under heavier burdens on account of the new compulsory compensation act. The miners were not satisfied, and began to prepare for a general strike. Nothing, however, was done until December, 1899, when the demand, coupled with others, was renewed and a general strike threatened. The company offered an increase in wages, but not equal to that demanded. The strike began December 26th. It soon became general, and affected a large number of mines and thousands of employees.

December 28th the miners' union wrote to the Prefect of the Department proposing arbitration, each side to appoint an arbitrator, and if they could not agree, for them to select a third, an independent person. This was accepted by the mine owners. M. Jaurès, the socialist leader, was summoned from Paris to represent the men, and M. Gruner, the secretary of the general Coal Mine Operators' Association, was appointed to represent the operators. It is exceedingly interesting that these two men, representing in the most extreme way labor and capital, respectively, should be able to come to an agreement without the intervention of a third party, and that their decision should be acquiesced in by both parties. This, however, was the case, the decision being made January 6, 1900. The decision was that it was just that the miners should profit to some extent in the increased prosperity enjoyed by the mine owners, and that consequently wages should be increased nine per cent., provided that in no case should the increase be less than thirty nor more than fifty centimes (six to ten cents) per

day. The two parties mutually agreed to keep this contract until June 30, 1901, at which date an arbitration tribunal similar to the one sitting could be demanded by either party to determine what future wages should be. A few special provisions were also made regarding wages in particular mines.

In concluding this altogether too long account of only a few experiences in Great Britain and on the Continent, it may be well to state some of the more important conclusions to which they lead us. The system of voluntary conciliation and arbitration, as carried on by private agreement, is elastic and applicable to all conditions. It can be used under the most elaborate or under the simplest rules. It can be proceeded with either with or without an umpire or referee, and proves satisfactory when the only provision is that the two sides shall meet and attempt to settle the difficulty before an appeal to harsher methods. It can succeed whether the questions to be decided are difficult and intricate or plain and simple. Contact on the boards established has fostered respect and good feeling. The employers, years ago, before the establishment of such boards, by holding themselves aloof created the impression that they were the dominant, the men the servient factor in the trades. They have now lost in large measure their autocratic characteristic, and they meet the men on an equality, in a friendly, conciliatory way. Brought together as they have been, face to face, in the meetings, both sides have learned to see things in a clearer light, and, too, false pride and obstinacy, always barriers to amicable understanding, have been broken down. Open discussion about a common table has shown points of view either on one side or the other not before thought

of by the opposition, and very naturally a far better understanding, on the whole, exists to-day than ever before between employers and employed wherever the voluntary boards are at work, which must make for peace and happiness and be the basis for all negotiations between capital and labor. Such a condition cannot be secured by government boards, where parties are brought before it in a way to leave an impression that they are litigants, the result often being to feed anew the fires which grow from the temper that originated the dispute. The private boards serve to allay all such feeling and to bring about a neighborly and harmonious condition. To create and continue this good feeling care must be taken by the associations to elect as their representatives, not radicals, but men of strong common-sense and honesty of purpose, employers fair enough to see the justice in the case presented by the men, and representatives of the men who have courage to accept a decrease when the situation demands it. In a word, extremists must be excluded and those alone chosen who seek the truth, and, once finding it, are willing to stand fast to the agreement and urge its adoption by their association;—and yet in the settlement of the coal strike in France just described the whole difficulty was referred to two men, one representing the most extreme side of the socialists and the other the most conservative side of the employers; but they were men of sense and judgment and easily came to a conclusion.

If men and employers meet in all fairness and kindness, and are careful to arrange for co-operation and mutual good, many of the differences can be and are constantly settled without hostilities of any kind. The best feeling exists, and disturbances have been few

where the men are treated with proper courtesy and frank interest, for the suspicion with which years ago the opposing sides viewed each other has in large measure disappeared in Great Britain in those trades where the principle of conciliation and arbitration has been longest recognized. Under arbitration as conducted in the early days the men were unable to get the facts with which to meet the masters' statements. In such arbitrations each side came to prove its case, and the men usually failed for lack of data. This was particularly the case in the potteries trade, where the poor success or failure of the men in arbitrations caused so great dissatisfaction that the board was dissolved. The men felt they had not been given a fair hearing and could never succeed under existing conditions. While they might and perhaps did agree to the award of the umpire, it was a sullen and not a cheerful acquiescence. Where formerly it was almost impossible for the men to know the facts concerning the state of trade and the prices of raw material and the finished product, the desired information is now secured by the aid of audits by trained accountants. The testimony of some manufacturers is to the effect that the knowledge so acquired has satisfied the men as nothing else could, and the confidence thus given has not been violated. This has been true in those instances in this country where employers have been willing to state to their men the exact conditions concerning the production of their goods, and when the knowledge so obtained showed that the men misunderstood the conditions they have withdrawn their demands.

In this country there are several industries that have had experiences similar to those related of Great Britain and the Continent. These are particularly the boot

and shoe trade, the building trades, the foundry business, coal mining, and some others. The experience has not been so extensive, of course, as that abroad, but it has been sufficient to convince many people that each trade can settle its own troubles with much more satisfactory results than it can by outside parties.

Personally, I have always been in favor of boards of arbitration of any kind. Any board that will aid in bringing about conciliatory efforts, and, failing in them, rational and discreet arbitration, has appealed to me as a method to be desired, not as a solution of the great labor struggle but as a help of vast importance, and I still feel that the existence of a board of conciliation and arbitration established by States, to which resort can be had voluntarily, has a balancing effect morally in the community. Nevertheless, I do not hesitate to declare that the real results to be reached by arbitration and conciliation can be secured far more effectively and in a far more acceptable manner through the trade board as it exists to-day in nearly all the industries of England than by any other means.

It is for this reason that I have recited some of the principal experiences in the great trades in England and on the Continent. Such experiences must have a far greater effect than any abstract treatment of the doctrine of conciliation and arbitration. The doctrine is all right, but what we wish to know in this country is just how the doctrine works when practically applied, and the experiences I have recited teach us that there never was a time in industrial affairs in England when both sides were better organized, and never did they work together with such harmony. These experiences are positive results, and positive results need but little comment.

## TRADE CONCILIATION AND ARBITRATION IN THE UNITED STATES.

BY E. DANA DURAND, SECRETARY OF THE INDUSTRIAL  
COMMISSION.

I HAVE been asked briefly to describe the existing practices in our own country as regards negotiation, between employers and employees, within the trades themselves,—what may be somewhat roughly termed “trade conciliation and arbitration.” In so doing I desire to refrain from expressing judgments as to principles.

The United States Industrial Commission, of which I have the honor to be the Secretary, is engaged in a thorough investigation of arbitration and conciliation. It has been so fortunate as to secure the testimony on this subject of a large number of representatives of State boards of arbitration, of employers and officers of associations of employers, and of representatives of trade-unions. It has had before it in particular prominent representatives of practically all the trades in which peaceful methods for adjusting the relations of employers and employees have been most highly developed. Moreover, it has by correspondence and by the use of published information collected a large amount of material on this subject. It is making studies of arbitration and conciliation in foreign countries.<sup>1</sup>

Strictly speaking the word “arbitration” applies only to

<sup>1</sup> See vol. xvii., *Reports Industrial Commission*.—ED.

the comparatively rare cases where disputes are referred by the parties to some disinterested person or persons for authoritative decision. The term "conciliation" accurately describes the great variety of efforts of employers and employees to come to an amicable agreement among themselves without calling in outside assistance. Conciliation is much broader than arbitration. Arbitration proper is almost always preceded by attempts at conciliation; while conciliatory methods are often employed with no provision for calling in arbitrators at all. The greater part of what I have to say accordingly relates to methods rather of conciliation than of arbitration in the narrower sense. It may be noted that the term "collective bargaining" seems to be coming into increasing use to describe methods of negotiation directly between employers and employees, especially in fixing the more important terms of the labor contract.

While public attention is usually directed especially to the more formal and permanent systems of conciliation, which have as yet been established in comparatively few trades in the United States, we must not lose sight of the fact that in countless cases, including almost every industry, peaceful settlements of differences as to the terms of labor are secured by less formal methods of negotiation. These methods take on many varying forms. As a matter of fact, wherever working men are organized, and wherever that organization is recognized by an employer, the terms of the labor contract cease to be determined solely and in every instance by the dictate of the employer, by the dictate of the employees, or by victory in strike or lockout. Under these two conditions, negotiation and conciliation enter in to a greater or less degree,



A very large number of trade-unions have in their constitutions declarations of a general character to the effect that strikes are in themselves undesirable and should be resorted to only in extreme cases, "after the failure," to quote a common phrase, "of all honorable attempts at peaceful settlement"; and that conciliation and arbitration should be sought wherever possible. These expressions are so strong in many cases as to seem to commit the union most unequivocally to a conciliatory policy. Moreover, trade-union rules, probably without exception, provide that attempts at negotiation with employers shall be made before any strike is entered upon. Either the regular officers of the union, or specially chosen committees, are required to confer with employers, if the employers will permit it, regarding the demands and grievances. Such conferences are frequently designated by the unions as "arbitration," and such committees as "arbitration committees." The provisions regarding them are often quite elaborate.

These provisions of trade-union constitutions and rules however by no means always indicate a truly conciliatory spirit on the part of the great body of the members. It is frequently the case that the representatives of the unions, the so-called arbitration committees, approach employers in an attitude by no means calculated to promote a peaceful settlement. Just so, on the other hand, employers often meet the representatives of their men, but are unwilling to make any concessions or to treat with them in a truly amicable manner. Nevertheless there are many instances where expressions in trade-union rules of the character referred to spring from a really conciliatory spirit among the members.

There are many employers, and the number seems to be constantly increasing, who are prepared to deal with their employees in the same spirit. To the degree to which these conditions prevail, peaceful negotiation tends to supplant conflict. The importance of these informal methods must not be underestimated. They are found more or less in connection with every trade, and they widen their scope and increase their effectiveness with every advance in intelligence among employers or employees.

Informal conciliation of this sort is especially effective in those trades in which the local unions are united into strong national bodies. When a national organization pays benefits to the members of local unions on strike, the national officers are naturally given a very considerable degree of control over the inauguration of strikes. The constitutions of well established national unions usually refuse to sanction any strike unless all the following steps have first been taken: first, thorough efforts at negotiation with employers on the part of the local unions affected; second, a determination, by a two thirds or three fourths majority of the local members, on secret ballot, to insist on the demands made; next, approval by the national officers of the position the locals have taken; and finally, the most exhaustive efforts on the part of these officers, in person or by deputy, to obtain a peaceful settlement of the differences. These national officers are in many cases men of high intelligence and of long experience as to labor disputes. They are largely free from the personal feeling and the narrowness which are apt to characterize the local unions in their conflicts with employers. By their intervention accordingly they are often able to prevent strikes or to

secure satisfactory settlement of disputes by conciliatory methods. Perhaps the most noteworthy success in this direction has been attained by the conservative and intelligent officers of the Bricklayers' and Masons' International Union.

American experience shows clearly that organization among employers makes possible higher forms of negotiation as to the terms of employment than can exist merely between individual employers and organized laborers. The formation of associations of employers in this country has lagged far behind the development of unions among working men. Gradually, however, doubtless in part under the pressure of organized labor, employers in not a few trades have come to realize the advantages of systematic collective action in their dealings with employees, not only in giving additional strength, but also in securing more uniform cost of labor and consequently more equal competition. Where such associations of employers exist, conciliatory methods are more often found than where employers deal as individuals with the unions.

( It is a common custom in many trades to make written agreements, usually annual, regarding the terms of labor. They are made by labor organizations either with individual employers or with associations of employers. They regulate wages, hours, overtime, time of paying wages, apprenticeship, and often a considerable number of minor details. A not uncommon provision is that only members of the trade-union shall be employed, while associations of employers occasionally make the counter-stipulation that the men shall work only for members of the association.

The great majority of agreements of this type are

local, covering a single establishment or a single town or city. Such local agreements are quite common in the various building trades. They are very general also among the brewery workmen, the hotel employees, the bakers, the hatters, the metal polishers, the garment workers, the granite cutters, the electrical workers, and several other classes of workmen, while they are found less frequently in many other trades.

It must not be supposed that such joint agreements necessarily show a highly developed spirit or system of conciliation. It is true that a considerable proportion of the agreements provide for arbitration of disputes as to their interpretation or violation—usually by a committee consisting of an equal number of representatives of each side, with, in many cases, an impartial person to be selected by them as umpire. It is true also that minor matters are often satisfactorily settled by these arbitration committees. On the other hand, such committees are not usually permanent, but are left to be selected for each special emergency. Their decisions often have little binding force. Even the terms of the agreements themselves are quite frequently violated, secretly or openly, by one party or the other. In the building trades it is often stipulated that sympathetic strikes shall not be considered a violation of agreement. Finally such agreements usually fail to provide formally for their own renewal by conciliatory methods. They do not establish a joint board, or other system for securing regular and amicable discussion as to the general terms of the future labor contract. As a matter of fact, apparently, a considerable proportion of these joint agreements are proposed in the first instance by the trade-unions, with a demand that the employers sign them,

under threat of a strike in the event of failure to do so.

Despite these defects which appear in some instances this system of local joint agreements has in many cases accomplished noteworthy results in checking strikes and lockouts and in promoting really conciliatory relations between employers and employees. Although agreements may at times be violated, they usually serve to prevent, so long as they continue, actual cessation of work on account of labor disputes. The provision for conciliation and arbitration as to minor matters, which is so commonly found, tends to bring masters and men into personal contact, and to create a spirit which shall render possible also peaceful negotiations as to the general terms of employment. The existence of a written agreement itself tends to foster some recognition of one another's rights. Indeed in many cases, although no permanent joint conferences or committees for drawing up agreements are formally provided for, they are nevertheless actually drawn up in amicable conference; they represent mutual concession between informally chosen representatives of the respective sides. Under such circumstances the joint agreement system becomes an important and effective method of furthering industrial peace.

Among the few instances of permanent and formal systems of collective bargaining or conciliation of a purely local character are those in the building trades, and these are mainly confined to the bricklayers and masons. The National Association of Builders, of which Mr. W. H. Sayward has long been the Secretary and the most active force, fully ten years ago recommended to the various local associations of

contracting builders represented in the national organization that they should establish joint boards of arbitration and conciliation. The recommendation has been carried out only to a very limited extent. The system has been established most fully in Mr. Sayward's own city of Boston, where permanent agreements have been made by the builders with the bricklayers and masons, the hod-carriers and two or three other trades, providing for joint committees which shall annually frame contracts as to the terms of labor, and which shall also decide disputes arising from time to time. These agreements further provide for the appointment of an impartial umpire to decide cases where the committees themselves fail to agree; a thing which is very unusual in this country. As a matter of fact umpires have been called in two or three times to decide relatively important matters. The result of this system has been that for more than a decade there have been no strikes in Boston in the trades covered by it, while the existence of these methods in part of the building trades is reported to have had a powerful effect in checking strikes and lockouts in the others also.

In New York City also a joint agreement of this sort has existed for a considerable number of years between the Mason Builders' Association and the various unions of bricklayers and masons, and the system has been introduced to some extent in other building trades in that city. Here again strikes have been practically abolished in the trades affected.

Somewhat formal systems of local conciliation and arbitration have also existed from time to time in the boot and shoe trade, and during their persistence have been reasonably effective in promoting peaceful rela-

tions. At present the only system of this sort which covers more than a single establishment is found in Philadelphia, where a joint board has been formed by the local organizations of manufacturers and of operatives. This Philadelphia board, which has existed about fifteen years, is, however, severely criticised by the National Union of Boot and Shoe Workers, as being too much under the control of the employers. The national union itself has joint agreements with many important individual manufacturers. These agreements regulate the conditions of labor and provide for the reference of disputes to joint committees and umpires or to the State board of arbitration.

The practice of peaceful negotiation has been very highly developed between the railroad companies and the more skilled and more highly organized classes of their employees. The brotherhoods of conductors, engineers, firemen, and trainmen especially embrace very nearly all the members of their respective crafts. Over against them stand great railroad systems, which are in a position to negotiate effectively, and which need the assurance of uninterrupted service that can be obtained only in this way. It is the practice of each of these strong brotherhoods to establish for each railroad system a committee composed of representatives of the various local lodges or divisions along the road. These committees, which not infrequently employ trained and salaried experts to assist them, confer with employers, not merely as to minor matters of dispute arising under the existing terms of employment, but also as regards the conditions of future labor. No strike can be authorized except after efforts at settlement by these committees, or, in case they fail, by the national officers of the

brotherhoods themselves. On many important railroads this system of negotiation is supplemented by written agreements as to the terms of labor. The result of these methods is that strikes are of rare occurrence among the more skilled branches of the railway service. The same system of negotiation and joint agreements exists, to some extent but in a much less developed form, among the less skilled and less strongly organized railroad employees.

Finally we come to consider the systems of collective bargaining, conciliation, and arbitration which are of more general scope than those so far described. In several important trades annual joint agreements as to the conditions of labor, especially wage scales, are regularly adopted, which cover either the whole trade throughout the country, or a large fraction of it. For the adoption of these agreements, more or less formal methods of negotiation have been established, and in some trades highly elaborated machinery for the settlement of disputes has been introduced.

This system of joint agreements on a large scale was first established in the iron and steel trades represented in the Amalgamated Association of Iron, Steel, and Tin Workers. There the practice dates from the sixties. Quite recently some classes of tin-plate workers have formed a separate association and adopted a system in close imitation of that of the Amalgamated Association. Since 1891 a joint agreement has existed between the Stove Founders' National Defence Association and the Iron Moulders' Union. This agreement itself contains a number of general provisions as to the terms of labor. Local and district conciliation committees are established. Any dispute may, after failure of efforts to settle



it locally, be referred to a central committee composed of equal numbers of employers and employees. This committee also adopts annual agreements as to matters of common concern to the entire trade. More recently this system in some of its features has been copied by the National Founders' Association in its dealings with the Iron Moulders' Union. During the present year the machinery manufacturers, organized into the National Metal Trades Association, have entered into an agreement with the International Association of Machinists, following closely the methods of the organizations of foundrymen.<sup>1</sup> In the various branches of the glass trade annual wage scales and joint conferences have been customary for many years. The potters have established methods very similar to those of the glass workers. The largest body of working men affected by a system of joint agreements and conciliation of this kind is the bituminous coal miners of the four great central coal States, Pennsylvania, Ohio, Indiana, and Illinois. Joint agreements in the coal industry, indeed, have existed from time to time for the past thirty years, but the system never acquired a firm hold or was thoroughly organized until within the past three or four years. The longshoremen on the Great Lakes also hold joint conferences with various organizations of employers, and adopt annual agreements, which provide also for settlement of minor disputes.

Such wide-reaching methods of negotiation as to the terms of labor are found only in trades where both sides are strongly organized. The agreements reached purport to bind a large proportion of the employers and employees in the industry. Naturally those on either

<sup>1</sup> This system was afterwards broken up.

side will be disposed to abide by the agreements only if they are represented in the association by which they are made. Again the national, or general, conferences between the representatives of the respective organizations are for the most part more systematic and formal than those by which local agreements are reached. In some instances there are regularly established joint committees, consisting of an equal number of representatives of the employers and of the employees. In the case of the two systems in the foundry trades, and of that in the machinery trade, these committees can (at least nominally) make decisions by majority vote. In one or two other instances, as in the coal trade, it is required that every important action shall be by unanimous vote of the joint committee; that is, the representatives of each side practically act as a unit and come to an agreement by mutual concession. In the glass and the iron and steel trades the conferences themselves are less formally organized. No attempt is made to secure an equal number of representatives of the two sides, and agreements must be reached by mutual consent rather than by formal vote. It is noteworthy that in none of the national systems we have mentioned is it the practice to refer any differences as to the general terms of labor to a disinterested arbitrator. There is, to be sure, a provision, in two or three of the systems, that minor matters, especially as to the interpretation of the general agreements, shall, if necessary, be referred to an outside person. Both employers and employees seem to be distinctly opposed to the idea of allowing any person who is not connected with the trade and familiar with all its complicated conditions to determine the conditions of labor, unless under the most extreme circumstances.

The general conferences of which we have been speaking are chiefly occupied with determining broad questions, with establishing the general terms of the labor contract. But where the policy of conciliation as to these matters exists, there is naturally a disposition to settle the lesser questions also in an amicable manner. In the trades under consideration minor disputes are for the most part satisfactorily adjusted by local negotiation between the parties directly concerned, or sometimes by joint committees of conciliation and arbitration more or less formally constituted. In several trades there is opportunity for appeal to the national officers or representatives of the respective organizations of employers and employees. In the stove foundry trade, for instance, the same board which adopts annual agreements may act on any such appeal. Among some branches of the iron and steel trade certain technical differences of a minor character are left largely to the decision of a paid and trained adjuster.

The iron and steel trades present the only successful illustration in the United States of the system of sliding scales. For many years the wages paid for certain classes of work in these industries have been made to vary in proportion to the rise and fall of the prices of the products. The system is considered highly satisfactory by both employers and employees, although the latter insist that they would not be willing to accept it without the provision fixing a minimum below which wages shall not fall. The sliding scale has been used more or less extensively in the anthracite coal fields, but for various reasons the system as established there has almost from the outset been extremely distasteful to the employees. In Great Britain sliding scales are somewhat more common.

The American experience as regards joint agreements and conciliation on a large scale is thus limited to a comparatively few trades, and in several of these is as yet only very recent. England has developed the system far more extensively. Even the experience in this country goes far toward showing that strikes and lockouts may be largely done away with where conferences and agreements between strong national organizations of employers and employees exist. Agreements between national organizations have been less often violated during their term than local agreements. The officers of national associations, both of employers and employees, are usually men of sound judgment and of long experience. Especially where these officers come in frequent contact with one another under such a system of conferences as we have been describing, they acquire wisdom in their treatment of labor matters. Each side learns to respect the other. Thus, after a time, negotiations are likely to become thoroughly amicable and businesslike, while these same officers who are most active in framing agreements are usually able to keep the members of their associations in line in ratifying them and abiding by them. The conference committees seldom fail to agree as to the annual labor contract, and there is seldom any refusal on the part of the body of employers or of working men to sanction the agreement. Occasionally, to be sure, strikes or lockouts occur in connection with the adoption of new agreements, but when the system of joint conferences is once thoroughly established, it ususally produces a spirit on both sides which greatly lessens the likelihood of industrial warfare.

## CONFERENCES OF IRON MOULDERS' AND FOUNDERS' ASSOCIATIONS.

BY MARTIN FOX, PRESIDENT OF THE IRON MOULDERS'  
UNION OF NORTH AMERICA.

ALL who have given the subject of strikes and labor disputes any consideration must agree that they are indications of discontent on the part of the workers, against the wages or conditions under which they are required to labor by the employing interests. As industries have expanded and become more diversified with the progress of the century, the friction between the two factors of industry has increased. Competition became keener; it became necessary to economize at every possible point, in order to maintain a position in the market. Wages, while labor remained in an unorganized condition, was always one of the first points on which the economizing policy was applied. It was not surprising, therefore, that the individual laborer, finding himself thus at the mercy of changing conditions, should have seen in combination an effective force with which to protect himself. In the latter half of the century, trade-unions grew rapidly in power. Their earlier efforts were conducted on the more primitive methods of might being right. The employer and the employee seemed to regard each other as natural enemies, and the antagonism, of course, extended to the organization of the employee,

with the result that the efforts of the employing interests were often directed towards crushing the organizations of labor; and, on the other hand, I will frankly admit, when the time was opportune, instances are not lacking where organizations of labor have forced arbitrary conditions upon the employers.

Such a condition of affairs could not always prevail. Bitter experience, and a more intelligent conception of the labor problem, convinced the more broad-minded element of both sides to the controversy that justice could never be done, nor could satisfactory relations ever be established between the employer and the employee, by a policy in which each was disposed to push his advantage to the utmost, without regard to the interests or welfare of the other. It was realized, too, that while the employer's capital was invested in an industry, the workman's capital, in the shape of his labor, was also invested in it, and that there was a mutual interest in its success.

It is scarcely necessary to point out that strikes were extremely unprofitable to both interests involved, and that, notwithstanding their success or non-success, they invariably left behind a bitter feeling, which augured ill for the future harmony of the working force and the management, which, it will be admitted, was not conducive to the best results of their co-operation.

The Iron Moulders' Union, which I have the honor to represent as its President, has had its full experience of strikes since its organization in 1859. In 1886 a new element was interjected into the industrial warfare which it had ceaselessly waged. It was in the stove-manufacturing branch of the iron-moulding trade. Learning, no doubt, the lesson the workman had learned—that in

combination they possessed greater power of offence or defence than when they acted in their individual capacity—the stove manufacturers, who had for some years been associated for the purpose of discussing matters of general interest to the industry, formed what is known as the Stove Founders' National Defence Association. In the year 1887, that Association and the Iron Moulders' Union of North America first clashed. The struggle was a bitter one, and while at its conclusion neither side could claim a decisive victory, it left each with a better appreciation of the other's power, and emphasized the disastrous results that might be expected to ensue from a series of conflicts between such powerful associations. The active spirits of both finally met in conference, in 1891, and the result was the formulation of what I believe to be the first agreement in this country which provided for the application of the principles of voluntary arbitration—or perhaps it might be better named voluntary conciliation—in disputes arising between members of an employers' association and members of a trade-union. This agreement simply recited general principles and provided means for their practical application to trade problems as they were known to exist by the representatives of the two associations. The following extract from that first agreement will place the matter more clearly before you:

“RESOLVED, That this meeting adopt the principle of arbitration in the settlement of any dispute between the members of the I. M. U. of N. A. and the members of the S. F. N. D. A. ;

“That a conference committee be formed, consisting of six members, three of whom shall be stove moulders appointed by the Iron Moulders' Union of North America, and three persons appointed by the S. F. N. D. A., all to hold their offices from May 1 to April 30 of each year.

“Whenever there is a dispute between a member of the S. F. N. D. A. and the moulders in his employ, and it cannot be settled amicably between them, it shall be referred to the presidents of the two associations before named, who shall themselves or by delegates give it due consideration. If they cannot decide it satisfactorily to themselves, they may, by mutual agreement, summon the conference committee, to whom the dispute shall be referred, and whose decision by a majority vote shall be final and binding upon each party for the term of twelve months.

“Pending adjudication by the presidents and conference committee, neither party to the dispute shall discontinue operations, but shall proceed with business in the ordinary manner.”

The wage rate, being the most prolific source of friction, was the one most carefully provided for. There were other matters, affecting shop management and conditions, upon which at this time no agreement was possible, and it was wisely determined to allow time, and the education which must result from annual contact and conference, to bring its influence to bear, before attempting to secure an understanding upon them.

It gives me pleasure to say—and the members of this National Civic Federation will agree that it is a striking proof of the success of the application of a policy of conciliation in the stove-manufacturing industry—that, since the 1891 agreement was ratified, there has been no conflict between members of the two associations, and no dispute that has arisen has refused to yield to the application of its provisions.

While this was the first practical application of the principles of arbitration to disputes arising in any branch of our trade, I might add that as early as 1876 a referendum vote of the membership of the Iron Moulders' Union had declared in favor of the arbitration of trade disputes, but had not been able to successfully put this policy in



operation, because there was no association of employers with whom to enter into such a contract. When a dispute arose between a stove manufacturer and his men, and negotiations between their immediate representatives failed, there was at once an open rupture, and when that has occurred, it is difficult, indeed, to arbitrate. In the agreement to which I have referred, cognizance was taken of that fact, and one of its clauses provided that the members of neither association should be governed by their impulses, but—and I desire to emphasize the point—should remain at work pending investigation by the proper officers of the two associations.

From my experience with this successful attempt at conciliation and arbitration of industrial differences, I am led to deduce:

First—That both the employing and employed interests must be organized into associations which subscribe to the principle that capital and labor have an equal voice in the fixing of wages and conditions of labor, before the principles of conciliation or voluntary arbitration can be successfully applied.

Second—That the more thorough that organization, on both sides, the better the ultimate results.

Third—That work should continue, without interruption, pending arbitration.

Fourth—That, inasmuch as it is only through the existence of an organization of the working men interested that arbitration can be successfully undertaken, employers should encourage their growth and extension.

Fifth—That when the dispute arises over some technical detail of a trade, upon which there has been no general agreement on the part of the associations of employers and workmen, a conciliatory policy should

be pursued by both parties, and an effort made to settle by common-sense methods, with a due regard to the custom and precedent of the locality in which the dispute arises.

Our success in applying the principles of voluntary arbitration in disputes arising in the stove trade inclined us to view with some gratification the tendency of the foundrymen in other branches of the trade to form an association on the same lines as the Stove Founders' National Defence Association. And when the National Founders' Association was finally launched on its career, I, as President of the Iron Moulders' Union, made advances, with a view to consummating an agreement such as we already had in the stove trade. These advances were met in a friendly spirit, and in March, 1899, representatives of the two associations met in New York, and ratified the following agreement, since known as the "New York Agreement":

"WHEREAS, The past experience of the members of the National Founders' Association and the Iron Moulders' Union of North America justifies them in the opinion that any arrangement entered into that will conduce to the greater harmony of their relations as employers and employees will be to their mutual advantage; therefore be it

"RESOLVED, That this Committee of Conference endorse the principle of arbitration in the settlement of trade disputes, and recommend the same for adoption by the members of the National Founders' Association and the Iron Moulders Union of North America on the following lines:

"That in the event of a dispute arising between members of the respective organizations, a reasonable effort shall be made by the parties directly at interest to effect a satisfactory adjustment of the difficulty; failing to do which, either party shall have the right to ask its reference to a Committee of Arbitration, which shall consist of the presidents of the N. F. A. and the I. M. U. of N. A., or

their representatives, and two other representatives from each association appointed by the respective presidents.

"The finding of this Committee of Arbitration, by majority vote, shall be considered final, in so far as the future action of the respective organizations is concerned.

"Pending adjudication by the Committee of Arbitration, there shall be no cessation of work at the instance of either party to the dispute.

"The Committee of Arbitration shall meet within two weeks after reference of the dispute to them."

This agreement, it will be seen, did not go any further than to recite the faith of each party in the principle of conciliation and arbitration, and provide the necessary machinery through which to give it practical effect. No attempt was made to effect an understanding upon matters of technical detail. That was considered a wise policy, for, unlike the stove manufacturers' association, which represented only those who were engaged in the same industry, the National Founders' Association practically admitted to membership any foundryman who was not a member of the other association. Thus it had a composite membership, representing foundries whose methods and necessities were not identical, and it would be extremely difficult, under these circumstances, to formulate agreements of a general character, capable of meeting all exigencies which might arise in the shops of a membership of such a varied character. For a time, the two associations confined their efforts to a consideration of wage disputes, and were fairly successful, although one serious weakness was early detected, in the disposition of a number of the members of the National Founders' Association to refuse recognition to the trade-union of their moulders. That recognition, as I have previously shown, is, next to the fact of an organization of the two

interests, one of the chief requisites to the success of the principles we had subscribed to. Later on, attempts were made by representatives of the National Founders' Association and the Iron Moulders' Union, in conference, to come to an understanding upon questions vitally affecting the interests of both parties, in matters of shop practice and conditions of labor, and, in the opinion of the union representatives, vitally affecting the integrity of their organization, but were unsuccessful and led to the most strained relations between the two associations, which culminated, later, in an open rupture in an important section of the joint jurisdiction. It is true the New York Agreement is still operative in other sections of the jurisdiction, but it can well be understood that, with each association bending its every effort to defeat the other in the city of Cleveland, O., the principles of arbitration, to which each has subscribed, cannot be applied as effectively as they could if a more happy state of affairs existed.

It would not advance the purposes of this conference to go into the details of these points of serious difference between the two associations, but, in order to demonstrate what I consider another essential factor to the success of voluntary arbitration, I will simply state that one of the provisions of the resolutions to which the representatives of the Iron Moulders' Union were asked to subscribe was such as would, in its operation, seriously affect its prestige, and its ability to enforce discipline among its members and preserve its integrity. At least, that was, and is, the opinion of the thinking element of that union, and, as can well be understood, was destructive of confidence in the purposes of the employers' association. Confidence in the honesty of pur-

pose of each party is, without doubt, an essential factor to the success of arbitration of trade disputes. Destroy it—or even arouse a suspicion—and the effectiveness of any policy of arbitration is seriously endangered.

Here, then, we have two examples of attempts at voluntary arbitration of trade disputes in the foundry industry—one, successful; the other, partially unsuccessful. A comparison of the policies pursued in each case will assist the student of the industrial problem to conceive the dangers which threaten the success of all policies involving arbitration, and will show by practical demonstration, more clearly than I can do in words, that, unless the last remnant of that antagonism which existed between the employer and the employee in the earlier days of our industrial development be removed and employers and employers' associations give organizations of labor (which, alone, can assist them in the successful application of the principles of voluntary arbitration in industrial disputes) the fullest recognition and encouragement, we can never hope to see the fullest success of its beneficent principles. It may be thought that these sentiments are the sentiments of a trade-unionist. They are—and, as such, are the sentiments of a class of men who have given the subject a longer and more interested consideration than any other class of the community. They are not entirely selfish in their character, but are the deductions of long experience and earnest thought in the labor movement.

Before proceeding to the consideration of compulsory arbitration, permit me to point out that, under a system of conciliation or voluntary arbitration such as I have outlined, it is made mandatory that the parties immediately interested in any dispute make an earnest effort to

settle, themselves, before referring it to outsiders. It is true, the mere existence of an agreement which provides for the arbitration of disputes in any trade has a tendency to lessen the seriousness of the effort made by the original disputants to settle, because they know that failure to agree does not immediately involve them in a strike. This is a regrettable feature, but is, after all, only primary in its character, and when it is found, after a few experiences, that as good terms can be secured by their own efforts as can be secured, as a rule, by arbitration, only the more serious disputes will find their way to the arbitrators, who, under this system, are always practical men, thoroughly conversant with the subjects which are likely to be brought to their consideration.

It might not be amiss, at this stage, to say that in the event of an industry coming under the control of one immense corporation, and each branch or plant thereof being simply the part of one great whole, it would be an almost impossible proposition to operate successfully under such an arrangement as that already quoted. It would no longer be possible to secure a committee of disinterested employers, thoroughly conversant with the industry and identified with it, to act on the board of conciliation or arbitration, and this is one of the strong features of the arrangement under discussion. We cannot arbitrate in this way with a trust controlling the entire industry, although we might with a number of smaller combinations controlling the industry in different sections of the country. In such an emergency, if the principles of arbitration are to govern, I incline to the belief that the State or national government would have to provide the necessary machinery.

Having dwelt at some length, already, upon practical

examples of the operation of a system of voluntary arbitration in the iron-moulding industry, I will be brief in my remarks upon compulsory arbitration. It will have been gathered from my utterances that I am a strong adherent of the voluntary system. Organized labor never assumes the position "there is nothing to arbitrate," and it requires no compulsory law to induce it to submit its case to a tribunal competent to adjudicate upon it, when its plea involves one of wages or conditions.

There is something about the idea of compulsion that is repugnant to American conceptions of liberty of action, and it is not difficult to conceive a case in which working men would be compelled to work under conditions, or for wages, that were obnoxious to them. I recognize, of course, that, were it possible always to guarantee a tribunal to adjudicate upon a dispute which could and would do full justice to all interests, compulsion both in arbitrating and in enforcing the award could be justified. We know, however, that among men as at present constituted, such a guaranty is impossible. We know, also, that there is not a perfect community of understanding among the classes, upon what is called the labor problem. That being the case, it would be an extremely difficult matter to constitute a court of arbitration which would have the entire confidence of the interests involved, and, hence, to secure a court whose finding would give satisfaction. I am strongly of the conviction that, in a country like the United States, where there are so many diverse interests, so many diverse views, and so many instances in which the interests of capital are placed before those of labor, compulsory arbitration is thoroughly impractical, and its principle is thoroughly obnoxious to the American citizen. The

citizen cannot afford to lend his assent to any governmental institution which, in the capacity of a court having power to enforce its award, could compel him to submit to conditions of labor which are obnoxious to him, under penalty of fine or loss of liberty. Especially is it objectionable, when, in a system of voluntary arbitration, such as has been outlined in this paper, there is as yet ample provision both for the preservation of industrial peace and the dispensation of justice in industrial disputes.

I would not be consistent, after having assumed this attitude to compulsory arbitration in general industrial enterprises, were I to endorse its application in disputes of those engaged in enterprises of a quasi-public character, such as steam or street railways. I am willing to admit that, inasmuch as the public are more deeply interested in this instance, and are often grievously inconvenienced by reason of disputes arising between the employees and the management engaged in the operation of enterprises of this character, there is more justification for such governmental interference as would be involved in this limited form of compulsory arbitration, but I feel that, even under these circumstances, I would not be justified in prescribing for the employees of a street railroad, or other public carrier, a process to which I objected myself. It will be seen that in all my references to compulsory arbitration, I assume that the board or court of arbitration would be vested with the power necessary to enforce its award; that is, to punish its violation, by fine or imprisonment. And I can conceive of no such board or court proving effective unless it be vested with such powers. Then again, if the New Zealand law be followed, the referee or odd man in the



board would likely be a member of the judiciary, and, as he could not always be expected to possess an intimate knowledge of the varied interests he would be called upon to decide, these interests would be in some danger of suffering injustice, such as would not be the case were the voluntary system in operation.

Of State boards of arbitration, I will have little to say. We all know that, as at present constituted, they have proven far from satisfactory as a means of dealing effectively with labor disputes. Almost invariably, they savor more or less, in their complexion, of partisan politics, and do not possess the complete confidence of either one or the other factor in industry. As a result they are very rarely appealed to by the two parties interested in a dispute. They have no power either to compel reference of disputes to them or to enforce their award when reference has been made, and can only render service in those exceptional instances, in which the parties mutually agree to refer their differences to them for determination and express their willingness to accept the finding.

With these brief references to compulsory arbitration and State boards I will close, but not before I reiterate my firm and unfaltering conviction that the peace of the industrial community and the broadening of our civilization are dependent upon the completest organization of the men and women engaged in the industries of our country, the organization of the employing interests on lines designed to mete out justice and not to disrupt or antagonize the organizations of labor, and the assent of both to the fullest and freest application of the principles of conciliation and arbitration in industrial disputes,

## CONFERENCES OF THE IRON MOULDERS' UNION AND THE NATIONAL FOUNDERS' ASSOCIATION.

BY H. W. HOYT, EX-PRESIDENT OF THE NATIONAL FOUNDERS' ASSOCIATION.

“IF voluntary arbitration will tend to solve industrial problems along the lines of least resistance, how can it best be attained in this country?” is one of the questions suggested in the call for this conference.

The industrial problems, so-called, must be adjusted along the line of least resistance, and the line of least resistance, in my opinion, is voluntary arbitration. The highest conception of arbitration is that of an unbiassed conference board—a judicial body composed of arbitrators outside the sphere of influence exerted by the contending parties.

Another idea, approaching more nearly the practical, is that of a board consisting of equal numbers from the two bodies, with an umpire chosen by both.

Each of these conceptions of an arbitration board has failed to satisfy the parties in interest or to solve and settle industrial disputes. The best thinkers who are charged with the trying duties of practical arbitration have about decided that unless satisfactory settlements can be reached by an equal number of representatives of employer and employee, without an

umpire, the conference would better fail. The future economist may be wise enough to present to a waiting world some plan of arbitrary arbitration acceptable to the wage-earner and wage-payer, but we fear that genius is not yet born. While waiting for his advent, arbitration will go on. Every day we realize that public sentiment is crystallizing around that thought. The dawning century will inherit from the past no more significant token of the evolution of peace and good will than this acknowledgment of the efficacy of conciliation.

Arbitration invariably means compromise, and unless the contending parties are prepared to accept this absolute fact, the work must fail. Everything depends upon the personnel of the board. How important that the choice of arbitrators should fall upon the clearest and deepest thinkers, whose vision is not obscured by their prejudices.

Questions of difference between buyer and seller are as old as mankind and yet the dominion of commerce illustrates how easily adjustments are made in that realm. The purely commercial aspect of barter and sale is complicated with the human element in questions relating to wages, and he who would settle the wage problem without taking humanitarianism into the account will not serve his fellow-men acceptably. The old law of supply and demand, strictly interpreted, does not avail to adjust all disputes that arise in the economic world. The competent arbitrator must acknowledge this. The employer who admits no other rule of action is unwise.

There has been an infinite amount of trouble in conferences for conciliation and arbitration caused by insistence upon rules of conduct evolved in the lodge room and forming the written or unwritten laws of unionism.

To refer to these in detail would be to provoke unwarranted contention at this time. Equally provocative of trouble has been the tendency among some employers to ignore the wage-earners in the collective capacity. Sometime these two great forces will learn that the intelligent modification of their respective positions will extinguish the causes of what has too frequently been called an irrepressible conflict. It may require a great calamity in the industrial world of America to teach us anew some of the truths uttered by our forefathers and imperishably preserved in the Declaration of Independence.

The hope of averting destructive war lies in the spirit that prompted this conference and in its educative forces.

I beg permission to speak briefly of the practical side of arbitration and to point out what has been done in one of the greatest fields of industrial activity, in the hope that the successes and failures recorded may inspire a lively faith in the achievement of those results which every sane man and woman will welcome.

The National Founders' Association is one of the practical results of the evolution of modern social economics. The fundamental article of its constitution is the very embodiment of voluntary arbitration, and reads as follows:

"The objects of this Association are: 1st.—The adoption of a uniform basis for just and equitable dealings between the members and their employees, whereby the interests of both will be properly protected. 2d.—The investigation and adjustment, by the proper officers of the Association, of any question arising between members and their employees."

This association was formed less than three years

ago. It now numbers about four hundred members throughout the great manufacturing centres of the East, Middle West, and West. It employs an army exceeding thirty thousand men.

One of its earliest acts was a joint conference with the representatives of the Iron Moulders' Union of North America for the purpose of considering an agreement that should form the working basis of a treaty of peace. This joint conference agreed upon a plan of arbitration which was subsequently adopted by the rank and file of both associations. It was an exceedingly simple and effective agreement, by the terms of which each body solemnly agreed that there should be neither strikes nor lockouts in the foundry industry until arbitration had failed to adjust the differences. The wise provisions of this agreement have been invoked scores of times, with such flattering results that neither party could be persuaded to consent to its abrogation.

The National Founders' Association is the largest organized body of employers in the United States committed to the utilitarian object set forth in its constitution. The Iron Moulders' Union, on the other hand, is one of the largest, best organized, and most intelligently governed labor unions in this republic. It is significant, therefore, to remember that during the eventful and intensely active industrial year of 1899 there was not a single disastrous strike or lockout in the foundry industry notwithstanding the conditions were such as to naturally provoke wage conflicts.

These two great associations of employers and employees have not been as successful in averting all contention in the year 1900, but the very failures have emphasized the necessity and the wisdom of a still closer

adherence to the principles of arbitration and conciliation, and a more profound study and examination of economic conditions.

Permanent results have already been definitely reached. It has been found possible for the representatives of the two organizations mentioned to meet and discuss the principles for which each is contending, without the slightest danger of personal animosity. Various conferences have been carried on, with a strong desire on both sides to reach a common ground by the exercise of mutual forbearance and concession. Failures to arrive at a harmonious decision, even in the face of impending industrial conflicts, have not destroyed faith in the success of the principle of arbitration. Each party has become more tolerant of the other. Friendly conferences, face to face with each other, have destroyed preconceived notions of each other's characteristics, broadened and deepened the spirit of toleration, and gradually paved the way for eventual peace in that great industry.

An attempt has been made to nationalize the scheme of arbitration,—in other words, to take away from each individual case of difficulty its strictly local character, and place the adjustment of it in regularly appointed committees chosen by both associations, which committees, by reason of their experience and broader horizon, are able to eliminate the local feature and arrive at results in harmony with existing and accepted conditions elsewhere throughout the country.

This course of action has gone far towards relieving the manufacturer from those petty annoyances which he has always associated with unionism, and at the same time has elevated and dignified the mission of the local

and district officers of the Iron Moulders' Union of North America.

The consequence has been that a more experienced, intelligent, and tolerant body of men have been called into action, and that the rank and file of union men are rapidly becoming educated to the new method of dealing with their affairs individually and collectively, while the manufacturers have been educated to a more liberal and just consideration of their employees' interests.

The preamble of the constitution of the Iron Moulders' Union of North America begins with this declaration:

"Believing that under the present social system there is a general tendency to deny the producer the full reward of his industry and skill . . ."

Upon this declaration of want of faith in human justice is builded practically all there is of unionism. The searcher after truth cannot deny that there has been much justification for this assumption. The National Founders' Association has expended a great deal of energy in endeavoring to bring about a set of conditions which would destroy the force of such a charge among its members.

As an evidence of the spirit which actuates the deliberations of the association, I desire briefly to quote from newspaper reports of the two last conventions of the National Founders' Association. Speaking of the Detroit convention held in February, 1900, the report says:

"If those who are pessimistic as to the outcome of the issues between organized labor and employing capital could have heard the discussions at the Detroit meeting and caught the spirit that

dominated the convention, they would have learned that the declarations of the constitution are not glittering platitudes. It was gratifying to find that intelligent, well equipped men in the ranks are strongly seconding the efforts of their leaders to make just and equitable dealing the rule between founders and moulders."

Another unbiassed report of the same convention said:

"No one could be present at the deliberations and hear the discussions of the National Founders' Association without being forcibly impressed by the high principle actuating the members. Primarily driven by the aggressions of labor and the arbitrary attitude of labor leaders into forming an association for defensive purposes, that phase of the present situation was seldom brought out.

"Instead of hostility to the working man and his efforts to secure additional advantages, a humane interest was shown in his welfare and full recognition was accorded to his rights."

In discussing the proceedings of the last convention, held in November, this year, a faithful newspaper report contains the following:

"Division between capital and labor was deplored; the community of interest subsisting between employer and employee was emphasized. . Nowhere in the discussions was any countenance given to the doctrine of right by might, or any suggestion of peace on a basis that left out justice. If the sowers of discord between capital and labor, and those labor leaders who preach constantly the doctrine that the employee's interest is always in finding out what is to the interest of his employer and opposing it with all his might, could have heard the sentiments expressed by the leaders in debate, they might have imbibed a new idea concerning the attitude of the average manufacturer toward his employees."

The association of which I have spoken is a type of its class. It is most gratifying to note the success achieved by the kindred organizations. The general public is scarcely prepared to accept the simplest recital of the



history that has been made in promoting the principles of arbitration.

What of the future ?

As long as the wage-earner believes, or is taught to assume that society is in league to rob him, as an individual, of some of the purchasing power of his services, so long must society reckon with him in his collective capacity. The employer who elects to ignore this fact is often as much of a menace to the industrial peace as is that agitator who plays upon the prejudices and inflames the passions of the men he falsely serves. But the conditions are improving on both sides. The progressive manufacturer has learned that a union is not an altogether reprehensible evil in social economics, and readily admits that when organized wage-earners are dominated by strong conservative men they will meet the employer half-way in arbitration.

Unions must remember that there never was an attempt made to unite manufacturing employers in the common cause of treating collectively with the relations of labor until the unions themselves had asserted their power. Both the employer and the employee must be honest enough to concede that their interests are mutual, and that the deep problems of economics cannot be solved in a decade. It is a slow evolution, that cannot be hastened by violence or intolerance. All the theories of all the wise scholastics on earth are of little avail. There is only one certain rule of action. It was long ago called the Golden Rule.

## CONCILIATION, NOT ARBITRATION.

BY CHAUNCEY H. CASTLE, PRESIDENT OF THE STOVE  
FOUNDERS' NATIONAL DEFENCE ASSOCIATION.

AS a representative of the Stove Founders' National Defence Association, I have been requested to state my observations of, and the experiences of our association with what is known as "Industrial Arbitration."

Regarding the importance of this subject, at this time, nothing need be said by me. A very large portion of the cost of a stove, range, or furnace is represented by the expenditure for labor of various classes in the construction of it, and the amount paid for moulding constitutes a material percentage of the entire labor cost.

The Iron Moulders' Union is one of the oldest, strongest, and most aggressive labor organizations in this country.

Almost immediately after entering the business of stove manufacturing, during the year 1865, in a managing capacity, of a department connected with labor, I became involved in a contest followed by a strike, inaugurated by the Moulders' Union.

At frequent intervals, during a long series of years following, there was a recurrence of moulders' strikes, or there was a lockout. In some cases the strikes were for an advance, while at other times they were against reduction in the prices paid for moulding. In other

instances there were other issues, but at any time a strike was liable to be made upon slight provocation, and, as it seemed to me, without deliberate consideration.

In almost every case in which I was in any manner responsible, or that came under my observation, the issue was ultimately adjusted, after a more or less protracted period of idleness and of bitter contest, by means of conference between representatives of the parties in interest; and I was never able to comprehend why such conference might not better have occurred in advance of the issue being made, rather than after, thereby avoiding, if possible, unnecessary loss of money through waste of time. However, there seemed to be no disposition to try to discover a method.

From time to time there were suggestions of resorting to arbitration in settling or avoiding strikes. Such came from employees and were not favorably entertained by employers.

These labor disturbances, through strikes by moulders, grew from bad to worse, in our line of business, and from 1882 to 1886 were extremely grievous.

Various groups of stove manufacturers met and considered methods of meeting organization with organization. Some men of large experience who entertained extreme ideas, together with others of little experience, were disposed to make common cause against labor organizations in all cases wherein an issue should be made by such against any member of a contemplated organization. Others, who also possessed large experience, insisted that a more conservative policy should be pursued, that thorough investigation of any issues should be made, and that a member should not be sustained

until it was proven, after affording all parties an opportunity to be heard, that the demands were unjust and that just terms could not be had. This idea finally prevailed.

It was also the conclusion that it would be to our advantage to profit by the many years' experience of the Moulders' Union by forming our organization, to an extent, along the lines at that time in use by that organization.

Accordingly the Stove Founders' National Defence Association was formed in 1886, embracing a large proportion of those who manufacture stoves most extensively. An executive committee was selected, and the man of largest experience upon both sides of labor questions connected with the business of manufacturing stoves, Mr. Henry Cribben, of Chicago, was elected President. We proceeded to formulate our articles and by-laws, having due appreciation of the skill and ability of the leaders of the opposition.

A short time after our organization was formed we were obliged to contend with a serious condition. A demand was made upon one of our members by the Moulders' Union of St. Louis for a large increase in the rate of wages. The demand was promptly followed by a strike.

Our committee proceeded to St. Louis to investigate. After thoroughly informing ourselves we offered a partial concession of the increase demanded, to go into immediate effect, together with an additional increase at a stated time, a few months later on.

This offer was rejected, and we entered upon a contest which resulted in the complete triumph of our organization, although at large cost to us, and to our member

who was involved, and at incomputable cost to the Iron Moulders' Union of North America.

We engaged in other contests with the Iron Moulders' Union during the four or five years ensuing, each of which resulted about as did the first.

The Stove Founders' National Defence Association had at all times manifested a willingness and desire to confer with employees or with organizations of employees, upon any question of mutual interest, with a view to saving trouble and expense through satisfactory adjustment.

The general officers of the Moulders' Union came to appreciate the possibilities of advantage in such a course, and early in 1891 an arrangement was made for a conference between five representatives of their organization and an equal number of ours.

Such conference was held in Chicago, late in March, 1891, and during a session of three days a plan for the consideration and adjustment of grievances, which was called arbitration, but which may more properly be called conciliation, was unanimously agreed upon by the ten representatives, and was approved of and ratified by the respective organizations.

The representatives of the moulders urged the strict arbitration plan, and as the word has a meaning of justice and fairness, our representatives, in general, were disposed to favorably entertain it. However, some of our representatives contended strenuously that our members could not properly, and therefore would not, enter into an agreement that would obligate them in advance to submit important questions affecting their business to the decision of an odd and disinterested man, who had no knowledge of their business and its requirements,

and who might be biassed. The arguments upon this question of arbitration were earnest and extended. It was contended:

First. That the odd man, who was disinterested, and who would probably have no knowledge of the business, would be alone responsible, for the reason that the representatives of neither party would be liable to concede, even if convinced, for those he represented would expect him to win through the odd man, if possible. The question was asked of one who was most strenuous for arbitration: "Would you, if a member of an arbitration committee, representing your side, concede anything of importance, even if you became convinced it was right to do so?" And his reply was, "No; I should feel obliged to win, if possible, through the odd man."

Second. That it would be extremely difficult to secure the services, in each case, of such a man as would be needed, and who would be acceptable to both parties, because few such men would be willing to serve, even when agreed upon, as the position would not be a desirable one, to a really good and competent man.

Third. Should an agreement to arbitrate be made, issues would multiply and some of the demands would be extreme, unjust, and even ridiculous. Such issues would be made, however, only because there would be a chance to gain through the odd man while there could not possibly be a loss.

Fourth. The employer could not expect to stand an even chance with the employee, aside from the merits of the question, in an average of a number of arbitrations, because of the facts, that public sympathy is always with the workmen, that they have many votes, that they have large patronage to bestow upon every business and pro-

fession, and that they do not hesitate to exert to the utmost in such matters such influence as accompanies these conditions. So that, at any rate, if in doubt, the arbiter, being inexperienced and without knowledge of the business, would be likely to incline to favor the employee.

For these reasons it was not reasonable to expect our members to be willing to accept such an arrangement. In other words they would not be willing to submit an important question, largely affecting their business interests, to the casting up of a chip, "wet or dry," with a large majority of the chances in favor of its falling wet side up, if their representatives selected dry. If the award was unjust to employees, they would not work under it, and if such as would operate to the ruin of the business of the employer, he could not long abide by it.

It was urged that it were far better to submit any issue to a committee, composed of an equal number of the representatives of the moulders and of the manufacturers, as a last resort, each of whom had a knowledge of and an interest in the business, who should strenuously strive to reach an agreement, understanding that in case of their failure to do so an open rupture and bitter contest must be the result.

Consideration was also given to avoiding, to the extent that might be possible, the inconvenience and expense of calling upon such a conference committee.

It was agreed that employers and employees, who were directly affected, ought, in each case, locally, to make special efforts themselves to settle any disagreement, and that, failing to do so, either or both might send a statement of grievances to the officers of their general organizations, and that then the presidents

should make investigation and try to adjust the dispute before the conference committee should be called.

After a thorough discussion, extending over three days, as previously stated, the following resolutions were unanimously adopted by the ten representatives:

“1. Resolved, that this meeting adopt the principle of arbitration in the settlement of any dispute between the members of the I. M. U. of N. A. and the members of the S. F. N. D. A.

“2. That a conference committee be formed, consisting of six members, three of whom shall be stove moulders, appointed by the Iron Moulders' Union of North America, and three persons appointed by the Stove Founders' National Defence Association, all to hold their offices from May 1st to April 30th of each year.

“3. Whenever there is a dispute between a member of the S. F. N. D. A. and the moulders in his employ (when a majority of the latter are members of the I. M. U.) [this exception, or qualification, was afterwards eliminated], and it cannot be settled amicably between them, it shall be referred to the presidents of the two associations before named, who shall themselves or by delegates give it due consideration. If they cannot decide it satisfactorily to themselves, they may, by mutual agreement, summon the conference committee, to whom the dispute shall be referred, and whose decision by a majority vote shall be final and binding upon each party for the term of twelve months.

“Pending adjudication by the presidents and conference committee, neither party to the dispute shall discontinue operations, but shall proceed with business in the ordinary manner. In case of a vacancy in the committee of conference, it shall be filled by the association originally nominating. No vote shall be taken except by a full committee or by an even number of each party.”

These resolutions were reported to, approved of, and ratified by both organizations, thus becoming agreements, and superior, as to any question between the two organizations or members of the same, to any article, by-law, or rule of either, that might be in conflict with them.



You will observe that while we, in the first clause, adopt the principle of arbitration, we do not, strictly speaking, adopt the practice of it, but instead, we practise conciliation through conference. Adjustments so reached are by far the most sure method of properly protecting important interests. Conferences constitute a much better and more economical method of correcting unjust conditions than do strikes and lockouts. What manner of man must he be who prefers going into an expensive lawsuit to settle a dispute regarding a business question, rather than confer with the opposite party upon the merits of it?

You will also observe that we undertake to avoid strikes and lockouts by agreeing that pending adjudication by the presidents and the conference committee neither party to the dispute shall discontinue operations, but shall proceed with business in the ordinary manner. You will readily believe that there has been some trouble connected with carrying out this agreement, and this notwithstanding it is to the immediate advantage of all parties. There are many radicals among employers, as well as among employees, and such are liable to consider that their natural rights are being abridged if they are not at liberty to close their works, or to strike, as the case may be, whenever they have, or believe they have, a serious grievance. A shut-down or a strike for a day or two, where an issue has been made, has occurred upon some occasions, in violation of this agreement, ordinarily through failure of the parties to understand their obligations, but work, in each case, has been resumed when the matter has been brought to the attention of the party violating, or when their officers have remonstrated. This clause is a very important

one, aside from the saving of time and money accomplished through it, as it enables all parties to proceed with adjustments in a cool and deliberate manner without excitement or anger. It is much more easy to adjust a difficulty before a rupture occurs than afterward.

During nearly nine years of practical operations under this conference agreement it has not been necessary to assemble the conference committee, provided for in Clause 3, in more than one or two instances, although hundreds of issues have been made and grievances sent in. Almost without exception they have been satisfactorily adjusted by the presidents themselves, or their representatives delegated for the purpose, and no strike by moulders or lockout by the manufacturer has prevailed in any factory of any member of our organization for more than one or two days, and even such have been rare.

Since the adoption of the plan of conference in 1891, as stated, we have held a conference meeting of a somewhat similar character almost every year at some time in the months of March or April.

Various additional clauses have been adopted and ratified. Most of these are not of general interest, as they pertain to foundry rules and practice. Clauses 5 and 6, adopted in 1892, however, relate to general rates of moulders' wages and a method of arriving at the same, and are as follows:

"5. The general rate of moulders' wages shall be established for each year without change.

"6. When the members of the Defence Association shall desire a general reduction in the rate of wages, or the Iron Moulders' Union an advance, they shall each give the other notice, at least thirty days before the end of each year, which shall commence on the first day of April. If no such notice be given, the rate of wages current during the year shall be the rate in force for the succeeding year."

Under this agreement as to moulding prices, we, in 1894, because of general depression in business, and in rates for labor, would have been justified in demanding a considerable reduction in the rates for moulding, but, after consultation among ourselves, we concluded that inasmuch as the workmen would be only partially employed a reduction would be a serious hardship, and that as the depression was probably to be but temporary we had better not insist upon it, although we had no doubt it would be readily conceded.

We did, however, in conference, make an arrangement whereby it was agreed that in event of a reduction of rates for moulding being secured during the year by a stated considerable percentage of stove manufacturers in this country who were not members of our organization, the opportunity for reduction should then be open to us. We were not obliged to avail ourselves of this arrangement. We tided over the period of depression, although it was not temporary but protracted, to the vast advantage of the moulders, and possibly without detriment to ourselves. We have not at any time demanded a general reduction under the rules.

So soon as prosperity began to bud, the moulders began to insist that notice be given by their officers in ample time, in order that they might be ready to participate in the improved conditions from the 1st of April following. A demand for an advance was made, a conference convened, and it was agreed that as we made no reduction when general reductions occurred, the time for us to advance had not arrived, and that the rates then prevailing should remain the rates for the year terminating April 1, 1898.

Early in 1898 the moulders again demanded an

advance to take effect April 1st, and a conference was called to consider it. After thorough discussion by the committee, an advance of ten per cent. in moulders' wages for the year to terminate April 1, 1899, was conceded.

In March, 1900, another conference was held, at which a further advance of five per cent. was made, to take effect on April 1st last.

Thus it would seem that, from the standpoint of the employee, our plan of conference has been demonstrated to be a remarkable success. By means of it, a long period of depression was passed without any reduction of their rates, and when a time of general prosperity arrived, they were enabled to promptly share in it without strife, and without loss of an hour's time. So that those moulders working in the foundries of the members of our association are direct gainers thereby to the extent of hundreds of thousands of dollars.

The employer derived comfort and satisfaction from the stability and reliability secured, as well as from the peaceful and harmonious relations existing in this department of his business. I have no doubt such conditions inure to his pecuniary advantage, when secured by so just and fair a method.

While our association has no agreement for use of this plan with workmen in departments of our business other than moulding, we have practised it in some of them in a partial manner only, by common consent, with good results. Some strikes have occurred in such other departments that were more or less serious, each of which would have been entirely avoided had the method been applied in full, under an agreement.

Our plan had been in successful operation for more

than five years before I observed any important reference to it, or to a similar idea, from any source other than such as was directly or indirectly associated with the foundry business, or that had received it directly from our organization. However, in 1896, what seems to me to be a very thorough endorsement came from England. An Associated Press dispatch was printed in the newspapers, dated New York, November 28th, which contained the following:

“Samuel Woods, the English labor leader and ex-member of Parliament, Secretary of the Trades’ Union Congress of Great Britain, arrived on the *Campania* this morning. Mr. Woods comes to the United States as a delegate from the Trades’ Union Congress of Great Britain to the Convention of the American Federation of Labor at Cincinnati, December 14th. He is accompanied by John Mallinson, English labor leader and delegate to the Convention.

“‘I do not believe in strikes,” said Mr. Woods; “I have little faith in arbitration either. I am a firm believer though, in a policy which I call conciliation. If interested parties, who know all about a dispute, cannot settle it, how can a third party, who knows nothing at all about it, help them to reach an agreement?’”

As to how important an endorsement of our plan this is, I do not know, but surely it is thorough. I do not believe that any other method of adjustment of industrial questions or disagreements between employers and employees has been devised and practised that promises as nearly universal satisfaction and advantage to all concerned as does our agreed upon method of conciliation through conference, and I am sure that genuine arbitration, voluntary or compulsory, does not.

## CONFERENCES OF LONGSHOREMEN AND DOCK MANAGERS.

BY DANIEL J. KEEFE, PRESIDENT OF THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION.

THE International Longshoremen's Association was organized in 1893 for the purpose of securing for the various local bodies uniform conditions as to the scale of wages as far as practicable, to eliminate abuses, to adjust the many or frequent differences that are prone to arise, and to elevate the standard of the members, morally and intellectually. At the outset we encountered much opposition, due principally to the prejudice on the part of the employers, who refused to recognize or meet with committees of our members; feeling that we were irresponsible and no agreement or arrangement could be entered into that would bind us or compel the organization to respect its obligations. The low estimate in which the average dock worker was held was in a measure responsible for the lack of confidence on the part of the employers. This condition was largely due to the lack of uniform business methods, or, I might add, the absence of methods, as well as the lack of restraint or prohibition of excessive or exorbitant demands when the employers were found to be at the mercy of the local workers.

The fact that the labor of a dock worker requires great

physical strength and endurance does not necessarily imply that the dock worker must be low in the scale of intelligence; while the calling does not require a high grade of intelligence, yet the high wages incident to organization has raised the standard of the dock worker, so that its ranks to-day number many mechanics whose trade does not offer the compensation of the dock worker, as well as many mechanics whose trade, owing to the introduction of labor-saving machinery, has relegated them to common labor. Again, it is a well-known and recognized economic truth that the higher the wage paid to any trade or calling, the higher in proportion is the intelligence of the worker.

To-day, to demonstrate how our organization is regarded by employers, who looked upon us formerly as irresponsible workmen, we can point with pride to a host who are the warmest friends of our organization, and who respect any agreement we make, with the feeling that no unfair or undue advantage will be taken by the dock worker who is a member of our organization.

The longshoremen's or dock workers' organization is one of the few institutions that meets with its employers in joint conferences or conventions, to settle questions of wages and other conditions, decisions to remain in full force and effect for a certain period. And we can say without fear of contradiction that we have had but very little dissatisfaction found on the part of the employers on account of our failure to carry out such agreements.

In our different arrangements that cover the various kinds of dock work, we always have a clause inserted, that, "In the event of any dispute arising between our men and their employers, the men will continue to work without any strike or lockout, until such time as the

differences are adjusted by arbitration, as provided for in said agreement." There is no question about the arbitration being a success, as the arbitrators are selected as follows: "The employees to select one, the employers to select one, and they two to select the third arbitrator, but in the event of their not being able to agree on the third arbitrator, then each side shall select a disinterested arbitrator, and those two shall select the third arbitrator. The finding of the majority to be final."

The longshoremen's organization has insisted on all its agreements being carried out in both letter and spirit. To illustrate the fairness with which the longshoremen deal with their employers,—we have in the port of Buffalo a local union, which violated its agreement with the employers during the month of July, while a convention of the longshoremen was being held in Duluth, Minn. The matter was brought to the attention of the convention, and it immediately notified our local representative to furnish men at our expense to take the places of our men who had violated the agreement, and they were not members of our organization.

We had another instance of violation of the arbitration clause by one of our locals at the port of Cleveland. The organization instructed the men to return to work and submit their grievance to arbitration, which they did. The arbitration board rendered a finding in favor of the men. Those perhaps are the only two violations of any consequence that have occurred out of our many agreements during the year of 1900.

We contend that proper conditions can be secured only through the employers meeting with their employees in joint conferences and conventions and discussing the questions of wages and other conditions



pertaining to their mutual interests fairly and freely, and, after due and careful consideration, entering into an agreement, such agreement guarding against any strike or lockout, and providing for adjustment by some method of arbitration. During these discussions the employers and the employees can become acquainted with each other, and understand that their interests are mutual, and that they are not watching to take any advantage that may offer of each other, but, on the contrary, are ready to co-operate with each other and bring about the very best possible results for all parties concerned. When the employer can understand that his employee is not waiting the opportune moment to take undue advantage of him, by compelling him to comply with unreasonable and exorbitant demands, and the employee, on the other hand, can understand that the employer is not trying to reduce his condition to slavery, by paying only starvation wages, and taking any other advantage that might offer to reduce his condition,—when this thing can be understood, it will be because the employer meets with his employees and gives them an opportunity to present their demands. The employer, on the other hand, will have the same opportunity to show his employees that the conditions will not permit of his complying with their demand. There is no question in my mind but that this policy would be the means of preventing a great amount of friction in the future.

## ORGANIZATION OF EMPLOYERS.

BY FREDERICK P. BAGLEY.

I SHALL address you upon the necessity for organization among employers. To meet a question which may have arisen as to the pertinency of my subject to the conference called for the specific purpose of considering arbitration, permit me to state that later I shall attempt to show a definite relation between the two, and further, that an important if not imperative reason exists for the introduction of the present inquiry at this point of our nation's industrial development.

In this paper it is assumed that the conference is agreed on the following premises:

First. That no longer are we mainly an agricultural country. We have developed into a producing and manufacturing nation, in which are towns, cities, and districts solely dependent upon the continued success of the mines and industries located therein.

Second. That by means of rapid and cheap transportation manufacturers are no longer able to control the trade of the district in which they are located. They must meet competition from adjacent or distant States and in some instances from foreign countries. An illustration of the possibilities of cheap transportation was furnished the other day by a man who stated that in ascertaining the cost of transporting a certain raw product from

Arizona to London he found that the rate was less than from Arizona to Chicago—low enough to admit of his selling his product in the London market in competition with that produced in Europe.

Third. That in many lines of industry the production is greater than our consumption. If the plants are to be kept in profitable and regular operation the supplies must be disposed of in the markets of the world in competition with similar goods manufactured in other countries.

Fourth. That the cost and conditions of manufacturing must be such as to admit of the finished product being sold in competition. In the great engineers' strike in England the employers by organization freed themselves from labor restrictions that had prevented them from producing their goods at a price that would allow them to compete in their own and the world's markets. Those restrictions and the subsequent strike checked English trade and helped American and Continental manufacturers to secure customers and permanent trade connections.

Fifth. That a disturbance of any nature or a radical change in the cost or conditions of production is to be avoided as being liable to injure employer and employee. Some time ago a Chicago union made demands on a manufacturers' association as to wages and shop conditions which if granted would have made competition with firms located outside of Chicago impossible. The union was willing to make Chicago a closed market as to outside manufacturers, but as the local market could not absorb the capacity of the plants located here and the union would not withdraw its demands, a strike ensued that lasted for nearly a year. It was finally won by the

manufacturing association at a heavy cost of time and money. The men lost largely in wages and the union was broken up.

Sixth. That to-day as a rule all large enterprises are conducted upon a scientific basis with the principle of a small percentage upon a large turnover. The business policy suited to the past generation is an antiquated contrivance wholly inadequate to the situation to-day. Manufacturers years ago made a good living while using a plain slide-valve engine. It consumed a large amount of coal and generated a comparatively small amount of power. It was the best there was, however, and the high percentage of profits covered the loss caused by waste. But no one can afford to use that old machine to-day. In its place stands the quadruple-expansion engine in which every item of waste and energy is accounted for, where each part performs its function in harmony with the whole; giving the greatest result with the least expenditure. This high productivity carries with it delicacy of organization and adjustment. Hot bearings and friction once ignored must now be remedied immediately if a heavy loss is to be avoided. With these exacting requirements on the one hand, the manufacturers are on the other hand face to face with a group of facts:

First. That labor, which they must have and the price of which enters so largely into the cost of their product, is organized and through its organization seeks to:

- A. Substitute collective for individual bargaining;
- B. Set the rate of wages;
- C. Fix the conditions of employment as to hours, production, etc.;
- D. Say who of the community may or may not work.

All of which are most radical departures from previous conditions. They merge the individual into the mass and change loyalty to the employer into loyalty to the organization.

Second. That from this organization of labor have sprung an entirely new set of conditions affecting labor, capital, and the State—conditions that are pregnant with danger to all three.

How to meet these new conditions in order that what is good in them for capital, labor, and the State may be brought out, and what is wrong to any one of the three crushed, is the problem that the employers must of necessity solve for their business safety. The moral responsibility to do so is also theirs, for upon the proper adjustment of the relationship of these three interests depends the future peace and prosperity of this country.

Before attempting to work out a solution, the employer must ascertain to what extent the organization of labor has gone, and the power that lies in organizations. He then must decide whether he can cope with the problem alone, or must depend upon organization to modify organization.

For the investigation, and as the basis of subsequent actions, the scientific method should be used, no matter where the deductions may lead. All prejudice for or against capital or labor, all sentimentalism, idealism, and half thinking must be laid aside. The cold, hard facts of the natural development of the competitive system are here with us to-day. Society needs, as never before, cool, clear thinking, to enable it to meet the conditions that have arisen in the last decade and the new ones that are crowding forward every day. It should be recognized that organized labor like organized capital is

disposed of and controlled by men—not gods or demi-gods—with the same passions, temptations, virtues, weaknesses, and ambitions.

In its organized form, capital may be divided into three classes:

- A. Corporations;
- B. Combinations—or groups of corporations;
- C. Combinations of combinations—or the consolidation of groups of organizations.

The higher forms of labor exactly correspond;

- A. For corporations you have unions;
- B. For combinations you have the national organizations of the different trades controlling the trade throughout the United States;

C. For combinations of combinations you have the American Federation of Labor, which covers practically the entire organized labor field of the United States.

It will be seen that labor is as highly organized as capital, and, to those who are following developments in the industrial world, it is apparent that labor seeks to extend its power in unorganized industries and districts, the same as capital is doing.

Speaking generally, in one respect organized labor is behind organized capital, that is, in unity of action and subordination to a head. This is being rapidly remedied. Discipline and unison of action are being perfected, and the authority of the leaders is more recognized and obeyed. If their ideal in this direction is attained, the discipline of an army will be observed by organized labor.

Whether capital has taken upon itself the forms assumed by labor or labor has followed the examples set by capital, is immaterial. The facts are, that in most in-

dustries of this country labor is organized into unions; that these unions are centralized into national organizations to which they are subordinate; that these unions are further centralized and the power more concentrated by being either directly, or through their national organizations, members of the American Federation of Labor, a body co-extensive with the United States. The possibilities for good and evil are at once apparent.

In the past, on the side of the employers, leaving out the stove manufacturers and one or two other trades, what had the employers to show in the way of organization to adjust labor questions? Nothing that could be mentioned without a blush. Small, local, decentralized, weak-kneed affairs, where nearly every individual felt his importance, was jealous or suspicious of his neighbor, was tricky or disloyal to his leaders, the ape and the tiger forever showing in their character, easy to divide, consequently easy victims. How to explain the amazing indifference and apathy of the average employer to the changes affecting his business future that have been going on about him in the labor world is simply impossible except upon the ground that, like the hog, he has been so busy getting the dollars that were in the trough in front of his nose that he has been oblivious to all else. The relations of the unorganized individual employer to organized labor is as the relation of the individual manufacturer to a trust.

To measure the latent powers and possibilities of an organization, a ground should be selected where that organization has had a free and untrammelled growth—where it has blossomed and borne its fruit in the fulness of its vigor and maturity. The organization selected

is taken solely because it illustrates perfectly what such an organization can accomplish, and is a part of the writer's personal experience. The results are to be considered as bearing on cost of production.

For a number of years the Building Trades Council of Chicago was the most perfectly organized combination of labor that this country has ever known. It had actually reached the goal of unionism, which is to control the labor used in a given industry. Not a man of the thirty-five to fifty thousand employed in the building industry of Chicago could work without first procuring and paying for a license from this organization. It had never been successfully opposed, therefore it affords the best possible example of an unmodified centralized organization carried to its logical end. An analysis of the results should show whether the laws governing the development of power through organization hold true here as elsewhere.

The fact that it was a centralized body to which belonged a large number of different trades adds interest, since if but one trade were being examined the results might be thought to be peculiar to that trade. But here were many trades, composed of all nationalities, working in one industry, under the same conditions and in the same central organization.

Upon what plans the council was built, how the power to call strikes without referring the matter to either the unions or the council was centred in an anomalous body, the Board of Business Agents, with its own officers and rules (Article IX., Secs. 1, 2, 3, Art. XIII., Secs. 1, 2); what effect the latter had on the unions and on the business agents themselves, are not pertinent to this subject. When the history of this council shall be writ-



ten it will furnish food for thought to the union workman, the employer, and—as is devoutly hoped by both—to the ignorant sentimentalists, male and female. The question is, what were these groups of men able to accomplish by being organized?

1st. In certain trades the amount of work a man was allowed to perform in eight hours was fixed (lathers, plumbers, steam-fitters, tile- and mantle-setters).

2d. In one organization, the business agent fixed the number of men that should be employed on a job (plasterers).

3d. Certain of the unions (plumbers and tile-setters) prohibited the use of apprentices. Another (lathers) prohibited them for five years.

4th. The use of machinery in another trade (stone-cutters) was prohibited, and where an employer was found using it he was arbitrarily fined and his factory closed until he paid the money into the union.

5th. Agreements with employers' associations were broken (plumbers, stone-cutters, laborers, and hod-carriers).

6th. Restrictions were placed on raw and finished material, whether made by union or non-union labor (stone-cutters, ornamental iron workers).

7th. The workmen in one trade could not under any circumstances perform any work in another. As an example, an ordinary laborer could not touch a plasterer's scaffold, as it was the work of a plasterer's laborer.

8th. The indiscriminate use of the sympathetic strike upon the slightest excuse.

Every one of these results affects cost of production. Most of them would make it impossible for a manufacturer to produce his goods at a price that would admit

of his selling in competition with manufacturers not under the same restrictions.

The main causes that permitted and encouraged these changes from legitimate to illegitimate trade-unionism were:

1st. These unions were a highly organized and centralized body in contact with an unorganized, decentralized mass, for such the employers were. With the sympathetic strike and the boycott in the hands of the council it was an impossibility for any firm or trade to resist the imposed conditions.

2d. Politics, and all that term implies to our American democracy in large cities. By it the administration, police, and lower courts were nearly paralyzed and the individual employer was blocked at every turn in his efforts to obtain justice. He controlled but one vote. The council was supposed to control thousands. He was a unit, it was an organization. He did not count.

Here you have the individual employer unable to resist uneconomic conditions that are put upon him by those who do not share his responsibilities, and at the same time impotent to secure justice.

It is granted that this is not legitimate unionism, and that possibly the heads of the unions were not wise and good leaders, but on the other hand it must also be admitted that the results were only possible by organization, that the same possibilities are latent in every centralized organization whether of labor or capital, and that the unions, from the very nature of things, cannot guarantee to retain their present able and conservative leaders, or to replace them by equally strong and upright ones. If any organization is unopposed it becomes corrupt, and

the worst elements in it are able to rise to the surface and assume control for personal ends.

Not until the employers became organized and centralized was it possible to change these conditions. This is not the time to relate the process by which the employers finally succeeded in their twofold aim, namely, that of changing those conditions, and at the same time preserving the integrity of the unions.

Two details, however, are material: one, that all the agreements between employers' organizations and the unions shall contain an arbitration clause. The other is the effort made by the employers' organization towards arbitration. This is of vital importance to the unorganized employer. At the outset, with the hope of obtaining the changes by peaceable methods, the employers made two attempts at arbitration with the Building Trades Council. The first did not get beyond the opening meeting, owing to the fact that the councils' committee never returned or paid any further attention to the requests of the employers' committee. The second, made several months later, was more successful in that an agreement was reached and signed by the two committees. It was ratified by the employers the next day. No action was taken on it by the council, nor was any reply ever made to communications sent to the council by the employers notifying it of the employers' ratification and asking for an answer as to the intention of the council with regard to the agreement. Arbitration is not a practical measure unless a degree of equality exists between the divergent parties. There are relationships so far removed from each other by the might of the one and the weakness of the other that an appeal for mercy is proper and a request for arbitration

presumptuous. It was as though a Chinese subject under sentence had asked the Emperor to arbitrate the question. Supposing the last effort at arbitration had been between the council and an individual, what could he have done? In other words—and they are the cause of this paper being presented in this arbitration conference—on both sides to an arbitration you must have organizations to carry out the decisions or agreement; organizations that will not only see that the other party lives up to its agreements but also that its own members do likewise. The organizations should stand for peace and should co-operate to the end that justice shall be the portion of all.

The evils and the good that have sprung from organization of capital and organization of labor are not because the organizations were composed of either employers or workmen as such. If it were possible to have the employers and the workmen exchange places in the membership of their organizations the results from each organization, as far as the abilities of the leaders fitted the new conditions, would be the same as they were before. It is that groups of men by organization and concentration of power are enabled to accomplish results beyond the capacity of any one of the individuals composing the organization. The assembling together of a number of human units with a oneness of purpose and action, disciplined and controlled by a central authority, generates a force that the unorganized cannot resist or guide. Should this force be used to its fullest extent by the leaders for either personal ends or for the benefit of the organization as against the remainder of the community disaster will follow. Labor says that organized, centralized capital controls the legislatures, makes and

unmakes laws, in other words, that it is a supreme power in the land. Capital says that organized, centralized labor overrides the rights of individuals, forces special privileges from weak-kneed administrations, and violates the laws protecting life, property, and freedom of action. If the organization of society as expressed in the laws cannot protect the rights of every individual in the State, then those that are deprived of their lawful rights by any organization must themselves organize and seek to preserve those rights. In no other way can self-protection be secured. The rapacity and cupidity of employers have forced labor to organize to protect the individual. The extreme action of organized labor has made necessary organizations of employers like the National Stove Manufacturers' Defence Association in order that the rights of the individual manufacturer may be preserved. In this particular trade the organization of the men and the organization of the employers modify each other, and prevent extremes on either side. There is a mutual regard for each other's rights, born of a respect for the power that each knows lies latent in the other's organization. Each requires the other to maintain an equilibrium. No one class can be trusted to represent the interests and lawful right of another. Even were one class altruistic it could not represent another, because it could not comprehend its wants, desires, and aspirations.

In industrial adjustments the necessity for organizations of employers is already felt by labor leaders as well as by advanced employers themselves. The next great change in the evolution in the relationship of labor to capital will be the organization of employers, not for aggression, but to modify and co-operate with organizations of labor.

## THE ORGANIZATION OF THE EMPLOYER CLASS AS A PREREQUISITE OF CONCILIATION AND ARBITRATION.

BY HERMAN JUSTI, COMMISSIONER OF THE ILLINOIS COAL OPERATORS' ASSOCIATION.

WE could agree, I believe, upon the general proposition that there is no waste so destructive of available wealth as the waste of enforced idleness, and that strikes may be ended, and are generally ended, without settling the questions involved. In a majority of cases they are only ended by exhaustion. We could even broaden this proposition and unanimously agree that by the side of the labor problem all other worldly problems are secondary, since the very foundations of prosperity rest upon the relations existing between the employer and the employee classes, idle labor meaning idle capital, and *vice versa*. Here it seems everything in the industrial world begins and ends. Agreement so far is easy, but beyond this point opinion will vary as to the cause of strikes, as to the necessity for them, and as to the best means of rendering them obsolete.

To me it seems that all efforts to permanently prevent strikes are almost certain to fail, unless labor and capital are both thoroughly organized, the strength of the respective organizations being so nearly equal that neither side can presume upon the weakness or unpreparedness

of the other. The peace of nations, as we well know, is preserved by the fear which each nation has of waking a sleeping lion. The great powers of the world have approximately accurate information of each other's resources, strength, and preparedness, and hence, wars in our day usually occur only between a giant on the one hand and an infant or decrepit nation on the other. Differences between equally strong nations are left for settlement to diplomacy. The same is in a certain sense true of conflicts in the industrial world. Labor, while not perfectly organized and not so rich in resources as capital, and therefore unequal in a protracted industrial war, is so much better organized than capital that in short, decisive conflicts, in continuous skirmishings, it usually comes out the victor. This statement, I well know, has been discredited in some quarters by labor leaders, but it can be proven. In fact, it is no exaggeration of the truth to say that the difference in favor of the organization of labor, as compared with the organization of capital for the purposes I have indicated, is as great as the difference in the discipline and power of the regular army and of a hastily improvised home guard.

Combinations, trusts, and corporations are spoken of as organized capital. This is misleading. All these are consolidated or aggregated capital, consolidated or combined to reduce the expense of doing business, to otherwise cheapen production, or to control or regulate the markets of the world, but they are not organized in the same sense, or for the same purpose, for which labor is organized. Our great need is two well organized forces, both established for the same purpose, viz., to determine and regulate the wages and the conditions of labor. To so organize, employers must profit by the

examples set them in self-sacrifice and self-denial by their employees. It is a noteworthy fact that the thirty or forty thousand coal miners in Illinois contribute annually in cash three hundred and sixty thousand dollars for the support of their union, and what they thus contribute is small as compared with what they sacrifice by strikes.

Until the employer class organizes and establishes collectively a department of labor, just as individually or in corporate capacity employers provide for their executive and their construction departments, their financial and their sales departments, strikes will continue; and if strikes, therefore, are to become obsolete in America every department of industry must be thus organized. It was with this end in view that the Illinois Coal Operators' Association was organized, with myself as Commissioner.

This experiment has attracted attention and elicited favorable comment in this country and in Europe, and the Illinois coal operators' plan is therefore fairly well understood.

The attention of the Conference is respectfully called to Section 2 of Article I. of the Constitution of the Mine Workers' Union of America:

"The objects of this Union are to unite all mine employees in or around the mine and to ameliorate their conditions by methods of conciliation, arbitration, or strikes."

This declaration by an organization of laborers with a membership of about two hundred and thirty-five thousand affords an excellent text for practically all that need be said on the subject under discussion.

It will be observed that the order in which such dif-



ferences or disputes shall be adjusted is by first trying conciliation, but that plan failing there shall be a resort to arbitration, and should that fail, then, and not till then, is the strike to follow as a last resort.

It is needless to attempt to fix the degree of responsibility upon either the employer or the employee classes for failing to proceed with the adjustment of differences between them in the order just given. Every intelligent man well knows, be he of the one or the other class, that nearly every disorder in the industrial world affecting what is commonly called capital and labor is due to the reversal of practically all in Section 2 of Article I. of the document which I have just read. Differences and disputes are sought to be adjusted, not in the manner indicated, but by first striking, then by trying some doubtful plan of arbitration, and finally reaching a settlement by means of conciliation.

Conciliation is the logical and the only way of settling nearly all differences or disputes arising between employer and employee. The hope to be fondly cherished is that thoughtful men in America will solve the great problem of labor and render strikes a thing of the past, by religiously observing, not the practice, but the plan outlined by the mine workers of trying conciliation as long as there is a ray of hope of adjusting differences by that plan, but, failing to so adjust them, then trying arbitration. Let it, however, be clearly understood that the plan of arbitration agreed to is not to be such a plan as merely compromises interests, but such as makes an equitable adjustment to be accepted as a precedent which all interests involved can ever after safely follow.

To me it seems that, mainly, conciliation, and, in extreme or unusual cases, arbitration, are all that should be

necessary to insure tranquillity in the industrial world, at least so far as the question of labor enters into the industrial problem. In order to terminate a strike the remedies are finally adopted which were originally proposed, or that naturally suggested themselves to fair men, before the strike was inaugurated. Why then not adopt such remedies or methods at once? Settlement by conciliation, then, being the common-sense application of the Golden Rule to differences or disputes arising between employer and employee, and the settlement of differences and disputes being founded upon what each side finally concedes to be right, the coal operators and the coal miners of Illinois, through the representatives of organized bodies of each, have agreed to give that plan a fair trial. The wonder is that in view of the great destruction of life and property in this State during the past decade, some such common-sense plan was not tried long ago.

It may be interesting to know that in few, if any, of these cases the question of wages was involved. The disputes arose from a difference of opinion as to the exact meaning of certain parts of the joint agreement, or from causes in no way connected with the agreement.

The prescribed limits of this paper render it impossible to give an exact account of what are the most fruitful causes of disputes arising between employers and employees, but I believe I can safely say that a very large percentage of them could have been avoided by the exercise of tact and kindness upon the part of the employer class, or by patience and a due regard for the interests of the employer upon the part of the employees.

Gratifying as has been the success of this experiment, it stands to reason that, with increasing experience of those entrusted with the investigation and adjustment of these

disputes, there will be a steady improvement in the system itself, made possible by an increasing knowledge of the conditions existing in and about the mines and of the rights of both the employer and the employee, to the end that average harmony shall prevail.

If the Illinois plan is generally adopted and a great central body is established, we shall then have:

1. An American Federation of Industries resembling in experience, influence, and power the American Federation of Labor.

2. A National Board of Arbitration composed of men specially and directly chosen by all the interests involved because of their training, education, occupation, and tastes, and indebted for their appointment to no officeholder nor to any political party.

It is not intended that under this plan all the members of the board of arbitration shall sit in every case, but it would be possible to have different sets of arbitrators take up, at practically the same time and at different places, different cases submitted to the board.

In carrying out the idea of having the board of arbitration as far removed as possible from the direct interests involved in the question to be considered, there should, however, be one representative from the employer's and one from the employee's side which are directly interested on every commission or board designated to hear the cases submitted.

Let us say, for example, that it is agreed there shall be three arbitrators selected from each side. Should these six not be able to agree, then a seventh man shall be selected. To select an arbitrator to give a final decision is usually a great stumbling-block. This difficulty, however, can be overcome in this way: that the seventh

man shall be a member of the general board of arbitration and he may be any one of the general board, to be selected by lot if he cannot be selected by agreement, but he must not be interested in the particular interests involved. There may be cases to decide which would embarrass the direct representatives of labor, if not also the representatives of capital. The human element in all of us (which makes self-preservation the first law of nature) affects pacificators and mediators at times just as it does other men. The officials of labor organizations, as well as the representatives of capital, will find it hard always to render such a decision as is to be expected from a body entirely free from all entanglements and not subject to the orders, caprice, or venom of local unions or direct business interests. We well know there are some men both in the ranks of capital and labor who cannot see any one's rights but their own. Their everlasting enmity would be incurred by an adverse decision of their own immediate representatives. Arbitrators should therefore be protected against temptation in every form.

One of the questions, for example, which a non-political board of arbitration, such as I have suggested, could perhaps settle better than it could be settled in any other way, or before any other board of arbitration, is, let us say, the question as to whether the man manipulating typesetting machines, or the proof-reader, should be members of the Typographical Union, or whether they should continue in separate and distinct organizations, or whether proof-readers should be members of any organization at all, since the position held by publishers is that they should be company men strictly.

What we need then is a wise and sincere utterance on

all those vexed questions which have been productive of the greatest friction between capital and labor, and not until such an expression, at all times available, has been given, will public opinion be healthy nor will public sympathy go where it rightly belongs.

Thus a great educational system would spring up to educate, not the masses of the people alone, but their teachers, the pulpit and the press.

Such a body of men would be almost certain to act fairly, because naturally it would care more for the rights of society than for the interests of a few, for where men are not personally or directly interested in an issue they are always ready to stand for that which is for the welfare of society.

All the varied plans so far proposed for adjusting serious labor troubles by arbitration are encumbered by the necessity of legislative enactments. Compulsory arbitration is not a question of practical reform and therefore is foredoomed. State boards of arbitration have an inherent fault, which has weakened and must ever weaken their influence, making their useful offices unavailable often for both capital and labor. Voluntary arbitration provided for under such a system as I have described seems fairer and simpler and acts quicker. Besides, the aid of the government, either State or National, should never be invoked save in an extremity, all differences and disputes between individuals or classes being left for adjustment as nearly as possible at their source—for differences between employers and employees are in many respects to be regarded as merely family differences, and should be and can be better settled within the immediate industrial family than before a political board of arbitration.

We are nearing the close of a century. If this Conference should offer something wise, practical, beneficent, to the American people—something that will make for peace and honor—the last days of that century will be its best. This Conference, therefore, should not adjourn without offering to the public some simple, practical plan of conciliation and arbitration, accompanying it with an appeal to those great teachers, the pulpit and the press, to inaugurate the new century with a spontaneous effort to make the peaceful solution of the labor problem in our free land the subject of their best thought and the object nearest their hearts, underlying as it does the very foundations, not only of our government, but of society.

## ARBITRATION AND POLITICAL ACTION.

BY FRANK BUCHANAN, PRESIDENT OF THE BRIDGE AND  
STRUCTURAL IRON WORKERS' UNION OF CHICAGO.

**O**F course, I do not believe that all this strife between labor and capital can be settled by arbitration, first, because human nature on both sides is full of imperfections, and second, there is the question of monopoly running all through our industrial system, requiring in my judgment political and legislative action.

The well organized trade union can arbitrate with the employers all questions in dispute between them. It can reduce the hours of labor, establish a Saturday half-holiday, charge extra pay for overtime, prohibit the employment of children of tender years, regulate the number of apprentices, insist on payment in money instead of truck, and enforce respectful treatment for its members while at work.

As a trade union, it can agree to submit to arbitration the disputes growing out of any and all such questions. But arbitration cannot get rid of government by injunction, abolish the monopoly of land, money, or transportation, reform the tax system, or regulate franchises of public utilities. Yet these are all in the broader sense a part of the labor question.

The union, in order to be successful in any of its undertakings, must organize all or nearly all persons

working at a given trade. To do this, it must allow the largest liberty of private judgment on all matters political. To run against any of the deep-seated prejudices of its members, either religious or political, would at once sow the seeds of discord and result either in breaking up the organization or in reducing its membership to such a small number that it could not enforce any of its demands.

For this reason, whatever political action the unions wish to take must be taken in a non-partisan way. Unions can bring pressure to bear on a legislative body either to enact this law or to repeal that, but they cannot insist on their members either opposing or supporting this or that party without inviting disastrous results.

The union I represent is one of the most powerful in our city. Its members must be strong and active. Their work is always associated with great danger. My experience as its business agent has been that much more good can be accomplished for our membership by being diplomatic, by faithfully carrying out our part of an agreement, than by swagger and bluster. But no matter how hard a business agent may work to avoid trouble, he gets very little credit. He is wedged in between a large body of men on one side, chafing under real or imaginary wrongs, and not over-particular at times about keeping an agreement; on the other side, he is constantly confronted by a sharp class of contractors who are ever ready to profit by any advantage that they can gain in secretly undercutting wages, and in many ways violating the letter and spirit of their agreement with organized labor.

While I do not wish to defend everything that has been done by the Building Trades of Chicago, I insist that



their mistakes were magnified and they were blamed for much which the contractors themselves were responsible for. Take, for instance, the limitation of a day's work by the plumbers' union, about which there has been so much complaint. This I am sure the union would not have done had it not been suggested and agitated by some of the bosses.

Arbitration in the building trades received its first great impetus in Chicago some seventeen years ago when the long strike of the bricklayers was adjusted with Judge Murry F. Tuley as the independent arbitrator. Since then, the building trades have all adopted rules for arbitrating trade disputes. The boards created by these rules are composed of an equal number of the members of the union and the boss contractors, who only call in an independent party when they cannot agree. This has been the only kind of arbitration which the building trades have resorted to. I do not know of a single instance where any of the building trades have ever called upon the State Board of Arbitration. Indeed, the instances are rare of any trade in Chicago calling on the State Board. This is perhaps due, first, to the suspicion widely entertained that boards of arbitration appointed and representing a political administration have purposes to serve other than that of fair play between employers and employees; second, because members of such boards are usually strangers to the requirements of the trades in dispute and therefore cannot exercise the sound judgment in reaching a decision to be had by a board composed of persons connected with the trades.

I have often thought that compulsory arbitration enforced by the State would be a good thing, and yet I find

few men in the labor movement favorable to it. Why this is so, I cannot say, unless it is because the working men believe that the courts and the various boards created by the State are generally on the side of capital, and therefore they are afraid to have their interests adjusted by them.

But it seems to me that contracts could be entered into for a definite period of time between the unions and the employers setting forth all the conditions to be observed during the life of the contract, and that the violation of such agreement by either party would be as much a matter of judicial inquiry and adjustment as that of any other contract between our citizens in their business relations. If not, why not?



## CONFERENCES AND AGREEMENTS OF RAILWAY CONDUCTORS.

BY E. E. CLARK, GRAND CHIEF CONDUCTOR, ORDER OF  
RAILWAY CONDUCTORS OF AMERICA.

IT is the disposition of the employer to secure the services of employees at rates of compensation and under conditions of employment least expensive to the employer. It is the disposition of the employee to secure the highest compensation and the most favorable conditions possible. Out of these natural, and naturally conflicting, desires grows the situation which is termed the conflict between capital and labor, and which is sometimes spoken of as an irrepressible conflict.

The desires mentioned are a part of human nature and an effort to secure those desires is in accord with the first law of nature. In years gone by, the employer has been disposed to say: "You are my servant. I am master. If you do not like the conditions and the compensation fixed and granted by me, you are at liberty to seek employment elsewhere." The employee said in turn: "We must have more pay or certain changed conditions of labor." Possibly the views of the situation from the employees' standpoint were *ex parte*, and possibly their demands exceeded the limits of justice and reason. The employer was wont to answer the demand with a flat refusal, and thus the two interests became

arrayed against each other diametrically, and, instead of coming together to reason the subject to a logical conclusion, each would seek to entrench himself in a position which promised advantage and gave hope of ultimate success.

If the employer and his employees, one represented by the officers in charge, the other by the committee, and, if necessary, the officers of the organization, would draw closely together and sit down in a friendly, dispassionate, and considerate way to discuss the situation, in nine cases out of every ten they would reach a common understanding acceptable to both. Each must learn to respect the rights and feelings of the other.

Employees are naturally much better satisfied and much more content working under conditions which they have had a voice in fixing than under those arbitrarily imposed by the employer and probably not properly understood by the employees.

Organization on the part of both employer and employee should be as perfect as possible. Each should be dominated by a desire to be fair and to do right. If such organization existed, the arbitrarily disposed and hot-headed employer who resents the idea of his employee presuming to question the conditions fixed by him in the conduct of his own business and in his own way, would, by virtue of being controlled by the regulations of the employers' organization of which he was a member, or by the more calm and cooler judgment of the lawfully constituted majority within such an organization, be restrained from precipitating trouble which, when it was over, could, by careful analysis, be shown to have no real cause other than a foolish or unreasonable determination to uphold personal or official dignity.

It is not to be wondered at that, in connection with the determination of the employee to have a voice in fixing the conditions under which he is to labor, his efforts to assert and maintain that right, and the disposition of the employer to deny and withhold that right, some serious friction is created and some serious conflicts occur. These have been undoubtedly necessary to the working out of this problem, however regrettable their occurrence may have been. New lessons have been learned from every instance of that kind. The conditions are growing better year by year. Employers, partially from a desire to be fair and considerate with their employees, and partially because the conviction that it is to be so has been forced upon them, are showing a willingness to concede to their employees the right to a voice in fixing mutually acceptable conditions of employment. Employees are realizing more and more the responsibilities resting upon them and the necessity for their being just and fair with their employers, as well as considerate of the rights of others, which must always be involved, to some degree, in a serious conflict between an employer and any large number of employees. Employees are realizing more and more that a mere test of strength does not really settle any vital principle, and that the defeated one, instead of being convinced, simply submits through force of circumstances and bides his time, consoling himself with the knowledge that he has inflicted sore injury upon his opponent and with the hope that some time his day will come.

The practice of employer and employee meeting on even terms, and in a friendly and conciliatory spirit, for the purpose of intelligent and frank discussion of these matters is, therefore, the rational, reasonable, and

civilized way of meeting this question. If that way be adopted, the next and natural step is a friendly agreement to submit to arbitration such disputed points as the principals are unable to reach an agreement upon. If the proper spirit is entertained at the start and exercised during the discussions, there can be no fear of anything occurring to seriously mar the pleasant relations or to prevent the matter being carried to the logical conclusion of negotiations carried on in that spirit,—arbitration. If each knows at the outset that such points as cannot be agreed upon are to be submitted to arbitration, they will be much less liable to assume or maintain any position which their conscience and better judgment tells them is wrong or untenable. Simple fair-mindedness as between man and man will be the basis of the negotiations and the foundation stone of the conclusion finally reached.

I know that much has been said on the subject of compulsory arbitration. My idea of the principle of arbitration is the friendly submission of disputed points between two or more parties to an outside party, in the selection of whom the disputants have equal voice and whose decision it is agreed in advance shall be final and conclusive. In order to have arbitration in the sense that I see it, each disputant must feel confident that his interests are going to receive the same consideration that is shown to those of his opponent, and must have an abiding faith that the award will be rendered in a spirit of perfect fairness. It does not seem that these feelings or convictions could be entertained under compulsion, and it is also difficult to see how employees in this country could be compelled to submit their differences with their employers to arbitration and be forced to continue in employment pending

the finding of an award without seriously conflicting with the provisions of the Thirteenth Amendment to the Constitution of the United States.

Much has been said and written on the subject of the power of legislators and of the courts in this direction. In my judgment, an effort on the part of legislators or courts to compel arbitration would result in more harm than good and in ultimate failure. There is in this land an influence more potent than that of the legislator and a court higher than those established by legislative enactment. That influence and that court are public opinion. When public sentiment generally demands the enactment or the enforcement of a law, the law will be enacted and will be enforced. When public sentiment generally is against any law that is on the statute books, that law will surely become a dead letter and any effort to enforce it will result in its being repealed.

I am an optimist on this subject. I believe that the principle of arbitration as a means of settlement of industrial disputes is gaining ground just as surely as western-hemisphere civilization is making progress. I believe that the convictions of those most directly interested in industrial disputes are influenced very largely by the opinions and sentiments of the great public. I have an abiding faith in the good judgment and the fair-mindedness of the large majority of the people. I believe that the judgment of the large majority will be invariably right if they properly understand the question. I believe that meetings such as this one are steps in the right direction. They will have a more far-reaching effect than is now appreciated and will do more good than the promoters of the plan have dared to hope. Public opinion is educated and influenced and moulded by just

such meetings as these. No better evidence of the fact that the principle of arbitration is rapidly gaining ground need be desired than the spectacle here presented of men fully representative of the employing classes and of the employed meeting with one common purpose to discuss the subject, while each entertains the highest respect and the greatest toleration for the views of the other.

The Order of Railway Conductors, which organization I have the honor to represent, has pronounced emphatically in favor of arbitration in industrial disputes. The organization has a protective policy and under certain justifiable conditions would not hesitate to endorse a strike, but it will not resort to that extreme except in defence of simple right or of a principle and then only as a last resort and after it has been found impossible to secure an agreement to arbitrate the differences. The order has heartily co-operated with the other organizations of railroad employees in the operating department by encouraging in every possible way a disposition to adopt arbitration as a policy and in an endeavor to provide means for extending the application of this principle in so far as has been in our power. We have submitted a good many cases and disputed points to arbitration, and our experience has been such as to commend the employment of that agency in settling such disputes.



## THE INDIANA LABOR LAW.

BY HON. R. S. TAYLOR, OF FORT WAYNE.

I HAVE thought that as useful a contribution as I could make to the deliberations of this conference would be a short presentation of the principles of the Indiana Labor Law, enacted in 1897, with some account of its working. The law provides for the appointment by the Governor, with the advice and consent of the Senate, of two labor commissioners—one from the employing interest and the other from the labor interest, not less than forty years old and not of the same political party. It is the duty of these commissioners, upon receiving information of any strike, lockout, boycott, or other labor complication in the State affecting the employment of fifty persons or more, to go at once to the place and exert themselves (1) to adjust the controversy by conciliation; (2) if that effort should be ineffectual, to endeavor to induce the parties to submit their differences to arbitration; and (3) if that should be unsuccessful, after a lapse of five days, to investigate the facts with or without the consent of the parties. For arbitration, the law provides a board consisting of the two labor commissioners and the circuit judge within whose circuit the controversy is located. To these the parties may, if they choose, add an additional arbitrator each, making in that case five in all. The judge is the president

of the board and the proceedings are conducted according to the rules of civil trials. The finding of the board is spread on the record of the circuit court and has the effect of a judicial order. Upon complaint of either party that the other is not obeying the order, a rule to show cause is issued by the court, upon which proceedings are had as in other orders *in personam*. These provisions invest the board with full judicial authority and vest in the court power to compel obedience to the award in any suitable manner.

The provision for compulsory investigation is the particularly novel feature of the statute. In conducting that investigation the labor commissioners are authorized to compel the attendance of witnesses and the production of books and papers. At the conclusion of their investigation, they make a report to the Governor of the facts found by them, which he is at liberty to send to the press for publication. There the compulsory interference of the law ceases. The arbitration provided for is entirely voluntary. After all efforts have been exhausted to induce the parties to accommodate their differences or arbitrate them, the investigation and report by the commissioners simply give to the public the facts as ascertained by an impartial judicial inquiry.

The statute has been highly successful in its operation. Fortunately for the people, the gentlemen appointed to serve under it have proved to be judicious and skilful diplomats, earnestly devoted to their work, and have deservedly enjoyed a high degree of confidence at the hands of both employers and employees. The first official report by the commission shows that during the eighteen months covered by the report the commissioners tendered their services in thirty-nine strikes and

lockouts. Of these there was a failure to adjust the differences between the parties in only seven instances, and in two of these the contestants on one side were non-residents of the State. In twenty-eight contests satisfactory agreements were reached through the mediation of the commission, and in nineteen of these settlements the working men secured either an advance in wages or other improved conditions. In addition to this the commission prevented strikes in five instances by timely negotiations and was instrumental in having two boycotts declared off. The total number of employees involved in these controversies was approximately 13,815.

The report of the labor commission for 1899 and 1900 has not yet been issued. By the courtesy of the commissioners I have been permitted to see a portion of it in advance of its presentation. It shows a still greater success in dealing with labor complications than was achieved during the preceding eighteen months. The number of strikes dealt with has been a little greater, eleven more, but they have been less extensive and less stubborn and less long continued. The average duration of strikes covered by the first report was a fraction less than thirty days; during the latter period, less than half that number of days. Altogether, the greatest good accomplished by the commissioners has been in the way of conciliation. It being their duty under the law to interpose at once upon the appearance of any controversy, they are able thus to get the parties together before a prolonged struggle has embittered them toward each other. The commissioners state that they find this to be the most difficult part of their work. Once they persuade the parties to come together and talk over their difficulty, they rarely fail in securing an adjustment.

There has been very little occasion to make use of the provisions of the law for arbitration or compulsory investigation. But it is my opinion that the success of the commissioners in accommodating differences is largely due to the fact of the presence of these provisions in the law. The commissioners have powers of legal compulsion—not to compel an arbitration, but to compel a full disclosure of all the facts by each party. I believe that that fact secures for the commissioners a degree of consideration and influence which they would not otherwise have.

In their forthcoming report the commissioners will recommend some legislation providing some form or kind of compulsory arbitration in cases where the public are greatly inconvenienced by a strike or lockout. The details of their recommendation are still under consideration.

## THE MASSACHUSETTS STATE BOARD OF MEDIATION AND ARBITRATION.

BY W. O. REED, PRESIDENT OF THE BOARD.

THE presence of this company, representing so many conflicting interests, is satisfactory evidence that the fundamental doctrine upon which our Board proceeds, that the overwhelming majority of the participants in the struggle want only what is fair, is correct.

Notwithstanding the apparently inexplicable attitudes at times assumed, it is reasonably clear that the goal for which they are striving is fairness to all. No doubt there is a remnant among them who are actuated by a different motive. Certainly there are men who have no instinct of fairness in their natures. But they are nothing compared with the great world and may be omitted from our calculation. It is still true that deep in the hearts of mankind, controlling their actions, shaping their lives, is a conviction that one must be contented with what is fair. Confidence in the truth of this proposition is the principal thing that we carry with us when our Board goes out into the arena where men are striving together. I do not mean simply that men will be contented with what they think is fair. They have progressed farther than that. They have no stomach for contest after they have obtained what fairness, based on general opinion, calls for.

Whoever would step between the disputants as mediator must approach his duty with the conviction that each will be satisfied with the fair thing. He must profoundly believe it. Even the most settled conviction that men only want what is fair is liable to shipwreck when one comes into the presence of the angry battle for supremacy, where each is endeavoring to destroy the other by any means within his power. Then men seem to strive only for victory and to plan the blow which will cripple the adversary, if not destroy him.

While there is a certain rough equity in our natures, it is also true that all life is made up of contest. Our lives are a struggle against forces which oppose us, and which we are endeavoring continually to overcome. This holds in the industrial world as in every other department of life. When one feels that he has come up against an opposing force, he instinctively pushes ahead to meet and overcome the difficulty. If it is a matter of dispute between employer and employee, his attitude in no way differs from that toward obstacles of the various other sorts that it is his daily lot to meet. He summons his forces to put aside the difficulty or surmount the obstacle. He clears decks for battle. He feels that he must rely on his own right arm. He resolves to trust himself. Then, more than at any other time, his nature abhors the thought of allowing the matter to pass beyond his control by submitting it to an outsider. He proposes to win. He has nothing to arbitrate.

This is human nature in the presence of difficulties, industrial as well as any other. We harden ourselves for the struggle.

Now arbitration, or the submission of controversies to a third party, does not look to a change of human na-

ture, or expect that the struggle of life will be either softened or abrogated as to industrial troubles. Its advocate does not expect that men preparing for a struggle will suddenly and without reason drop their differences in the lap of the arbitrator. But it does rely on the knowledge that all men when they begin a controversy weigh the power of their opponent, and if they find themselves matched, or likely to be worsted, will listen to the advice of the Duke in Shakespeare's play: "Let your reason with your choler question what it is you go about."

To run one's hand over the muscles of an opponent often has a peaceful effect and tends to allay the belligerent feeling. Arbitration will be a substitute for war when each has a wholesome respect for the fighting power of the other, and when each can see that defeat and rout are about as likely to come as victory. If a man is reasonably sure, however, of obtaining his end without loss to himself, he will have nothing to arbitrate.

We did not arbitrate the *Alabama* claims with England because of any particular regard that we held for her. The feeling here was rather that of intense indignation. England was inclined to scorn our claim, but willing to arbitrate because she knew that she would get hurt if she did not do so. Each knew that the other was a powerful nation and would deliver a heavy blow. We find the same thing to-day. It is the battle-scarred union that is willing to submit its differences. It is the veteran employer, not necessarily in years, but in experience in labor difficulties, who is willing to let the points in issue pass under the judgment of an impartial tribunal.

Unorganized labor, the new union, the employer who though old in years first meets a labor trouble, and who

has not learned that "war is hell," such do not need arbitration. They believe that they can win out and are quite sure to have nothing to arbitrate. In proportion as the contestants learn to respect the ability of the opponent to inflict injury, and appreciate that victories are expensive, they will be willing to arbitrate, provided of course they have confidence in the tribunal proposed.

We have no issue with those who believe that the world is growing better. The most beautiful thing in life to-day is the developed appreciation of the doctrine that it is better to give than to receive. Undoubtedly also the Golden Rule is the principle of action of the lives of more men and women to-day than ever before; but the arbitrator in his walks does not meet those people often. As we see it, life is a struggle for supremacy.

Before I speak of the methods pursued by our Board I wish to call attention to the different uses of the term "arbitration" now in vogue. Although the difference between arbitration and conciliation is carefully observed in the act of the Legislature creating the Board, still in the popular mind the two are often confounded. While the word really means a submission by the parties to a controversy to a third party for a decision, it has come to mean in a popular way any substitute for open warfare. It not only includes, in the minds of many, mediation and conciliation by a third party, where there is no submission to his decision, but it is also made to include negotiation by the parties themselves without the assistance of a mediator where they confer together before open hostilities are commenced. The grievance committee of the union is often spoken of as an arbitration committee, whose duties are to meet a committee from the other side before ordering a strike. The work



of the arbitration committee is often considered complete when it reports back to the union its inability to settle with the employer, and a strike is often ordered thereupon without any further attempt at arbitration. I am inclined to think that it is in this sense of the word that many unions understand their provision that they are favorable to arbitration and that many of the younger unions would be loth to submit their grievance to arbitration, properly so called, after an ineffectual negotiation with the employer.

It is true, however, I think that the older and stronger unions understand the word in its true meaning and are committed to its support.

Under our law, arbitration is purely voluntary and is possible only while the relation of employer and employee is unbroken and the men are at work. The State does not provide for a submission when a strike or lockout exists. If one has taken place, the men must go back to work before arbitration can be entered upon.

In cases of pure arbitration, we have the following provision as to expert assistants:

"Each of the parties to the controversy, the employer on the one side, and the employees interested on the other side, may in writing nominate, and the board may appoint, one person to act in the case as expert assistant to the board. The two persons so appointed shall be skilled in and conversant with the business or trade concerning which the dispute has arisen. It shall be their duty, under the direction of the board, to obtain and report to the board information concerning the wages paid and the methods and grades of work prevailing in manufacturing establishments within the Commonwealth of a character similar to that in which the matters in dispute have arisen."

In the great majority of cases arbitration is not resorted to, but the other function of the Board is called

in play,—that is, conciliation, which is an endeavor to obtain a conference between the parties for the purpose of a settlement of their affairs with such assistance from the Board as they may desire or it thinks best to render.

Let me give you a leaf out of our daily life.

A newspaper clipping bureau furnishes us each day with clippings of all labor difficulties reported in the newspapers in the State during the preceding day. Each case is docketed as it comes in, in a docket which has the following headings:

City or Town; Employer; Nature of Business; Date of Strike or Lockout; Cause; Number Out; Union Involved; Result.

At each meeting of the Board, unsettled cases are discussed in their order. As soon as a case of any importance presents itself, we visit the locality, obtain personal interviews with the parties, hear their stories, and offer suggestions which look generally to a conference at that time or later, according to the temper of the parties.

Personal contact with each of the parties, patient, unceasing endeavors in spite of all obstacles and in the face of discouraging failures, is the price of success in bringing the parties together. After the first suspicions are allayed—suspicions that the other party has been instrumental in bringing the Board into action—both sides uniformly receive us with courtesy and are willing to give us an audience. It is remarkable to what a degree men are softened by suggestions, when they have confidence in the fairness of the maker of them. In many cases, when we have won the confidence of both sides, we are in a position to weaken the animosities and bring the parties nearer together. Unless some question of principle, real or fancied, intervenes, they will come quite together.

From the middle of last September to the first of the present month, a period of about ten weeks, our docket has shown a list of about forty labor disturbances. Examination of these cases showed that twenty-five were trivial and settled themselves in the course of a day or two. The remaining fifteen were of sufficient importance to call for action by the Board. In each case the Board visited the locality and had interviews with the parties from one to ten times. During this period the Board has travelled to meet the parties, outside of the regular office travel, twenty-five hundred miles. We have begun work as early as six o'clock in the morning and often finished as late as eleven at night. All that could be done has been done in order to bring the parties together. In some cases the men have gone back to work; in others it was a trial of endurance, neither party yielded, other men were gradually hired in, and the contest ended by a complete loss to the employees. In some of the cases this process is still going on and all efforts at mediation have failed.

Of the fifteen cases fourteen have been cases of conciliation and only one of arbitration. Almost all of the time of the Board has been employed about cases of the former class.

One department of the work of the Board I desire especially to mention because it seems to us the most interesting. We endeavor to bring about between employer and employee, under our supervision, trade agreements which settle the main points of interest to them, and which contain a clause binding them, in case they shall be unable in the future to settle their differences amicably, to submit, without a strike or lockout, their differences to arbitration by the State Board, or a local

or joint board if they prefer it. What we can do along these lines is clear gain, and lays the foundation, before controversies arise, for a fair and equitable disposition of them. Not infrequently our rooms present the pleasing picture of a meeting of committees of associations of employers with committees of the employed, or their representatives, who are honestly and earnestly looking for a peaceful solution of their troubles. We are, to-day, engaged in promoting an important agreement of this sort between parties, which, if consummated, will be a distinct advantage to the public as well as to the parties themselves. It may fail utterly, but it may succeed.

“To climb steep hills, requires slow pace at first,” but we believe that we have begun to climb the hill when we have induced parties to agree beforehand to waive the battle and submit to the decision of a tribunal of their own choosing. We notice that at present such trade agreements are possible only where both sides have had their fill of fighting. It will be long before such understandings will be general, but we believe that as time goes on and as men slowly learn that even the victor suffers greatly in industrial warfare, they will tend to come to a peaceful agreement to avoid the struggle. More hopeful still is the attitude of both contestants when, without the aid of the Board, they enter into a compact that, without a strike or lockout, they will submit all their differences to the State Board, or to a local or joint board. This movement is meeting with considerable favor among some of our manufacturers and their employees in Massachusetts, and as far as we know is considered by them as a solution of the labor problem. It is needless to say that we foster such arrangements.

We do not dread the increasing power of both sides and their increasing ability to do each other harm. The probability is not that one will overcome the other, but rather that each, out of respect for the strength of the other, will have a sufficient regard for his own safety to avoid the battle.

In a certain sense, the industrial world seems to be in a preparatory stage in this matter and to be busied about certain preliminary questions. When these have been worked out the field for arbitration will be more apparent.

The legal right of men to combine, though long disputed, is now freely and fully admitted. And yet very many employees have the same feelings of hostility to combinations that once led the community to pass statutes against them. Capital is turning all its energies towards production and only gives a thought to the labor question when brought up against it. It is often inclined to repress organization among employees and to oppose it on general principles, although it is obliged to concede the full right of the other party before the law. Time will bring about a better feeling on this subject, we may hope, now that the first and most difficult step has been taken. At the present, it is certain that the uncompromising attitude of the parties on this issue of organization is a leading cause in keeping up the trials of endurance which it is the object of arbitration to supplant.

It seems not unreasonable to expect when such questions as these have dragged their slow length along, and are finally disposed of, settled forever, that mankind will turn from the trial by the ordeal, and accept a more reasonable settlement in industrial quarrels as they did in

the thirteenth century in the other quarrels of ordinary life. It is a long time since the Anglo-Saxon settled a question of the title to a piece of land by trial by battle or duel between the parties, but it was also a long time before the jury supplanted this barbarous custom. One may read in Glanvill, the author of our first English law treatise, in about the year 1200, an encomium upon the jury system, which was then displacing the duel: "It [the jury system] so well cares for the life and condition of men that every one may keep his rightful freehold and yet avoid the doubtful chance of the duel, and escape that last penalty, an unexpected and untimely death."

In this contest the question of what is a fair day's pay is often settled by a trial by ordeal, so to speak, to see whether the man or the machine can go the longer without food, and the process is about as satisfactory as the ancient custom was. When the parties appreciate the danger of this mode of settlement of honest differences, they will look more sharply than at present for a substitute. In the meantime it is the office of boards, by education, by patient endeavors, by conciliation, and by courting the confidence of both sides, to prepare the way. As for us, we are looking steadfastly to the future. We have "hitched our wagon to a star."

The century now dawning has undoubtedly much in store for those who believe in arbitration, but what system will be established, and when, no man can tell. Sometimes it seems as though some system was about to be quite generally adopted, and again, it is as far away as ever. International and industrial arbitration seem to go hand in hand. One day nations are ready to agree that international differences should be arbitrated, and the next they leave an order with Krupp.

It is perhaps enough to say, that the establishment of some means of amicably settling differences is in the line of human progress, and for that reason alone deserves the best thought of us all.

## THE INNOCENT PUBLIC—ITS CASE PRESENTED BY A FARMER.

BY JOHN M. STAHL, SECRETARY OF THE FARMERS' NATIONAL ASSOCIATION.

IT is a well known fact that frequently in war the non-combatants suffer almost as much as those in the field. In labor wars it is frequently the case that what has been well termed the "innocent public" suffer almost or quite as much as the belligerents. Of the innocent public the farmers constitute the most considerable part, whether the number of employers, the number of laborers, the capital used, or the labor employed, be considered. More than twice as much actual capital is employed in farming as in any other industry in this country. And while, for example, the debt of railways equals their capital stock, and in some cases the debt fully equals the value of the roads, farmers are in debt for less than ten per cent. of the value of their property. The gross earnings of all the railways of the country are less than one half the annual product of our farms. The capital employed in manufacture is only one third of that employed in farming, and the laborers are an even less fraction. All the capital of our national banks is only three per cent. of the capital of farmers and only one fourth of the annual products of our farms. And the value at the mine of all the coal produced in this



country in 1899 was less than one third of the value on the farm of the corn crop alone. Farmers constitute by long odds the most important class of the public, innocent or otherwise, whether capital or labor, employer or laborer, be considered.

It is apparent that the farmer has a right to claim consideration as a part of the innocent public; and if we emphasize the *innocent*, the rightfulness of that claim becomes all the more apparent, for while farmers are the greatest employers of labor in the country, and while farm laborers are the most numerous class of laborers in the country, in all our history there has not been a lock-out or a strike on the farm, and in all our history it has never been necessary to call out the militia, much less the troops of the regular army, to suppress a riotous mob of farmers or of farm laborers.

Therefore we farmers have the best right of all to be the spokesmen of the innocent public in asking, Has the innocent public no rights that those responsible for lock-outs and strikes are bound to respect? Are urban employers of labor and urban working men not subject to what the writers on government agree is an obligation of all that enter into the social relation and enjoy its benefits, to recognize and respect certain rights of their fellow-members of organized society; or are they privileged to take whatever forcible measures they choose, though dictated by passion and prejudice instead of justice and reason, and pursue their course regardless of the hurt they may do to others? Are urban employers of working men and those working men subject to the fundamental obligations of the members of society and the beneficiaries of government, or are they superior beings, free to engage in labor wars that involve large loss and

great inconvenience to thousands of others, the denial of liberty of lawful action to those willing to work, and the occasional clubbing or shooting down of citizens by those hired by employers or those in sympathy with strikers, thus taking from others what have been asserted to be "certain inalienable rights of life, liberty, and the pursuit of happiness" ?

There can be but one answer to these questions: The innocent public *has* rights. There should be no lockout or strike without ample cause and not before all reasonable means have been tried to settle the dispute that threatens it. This would be the answer of farmers to those questions. And as we have seen that the farmers have the best right of all to put these questions, it is also true that they, being in greater degree than any other class both employers and employees, are in a position to seek an answer with the least bias and prejudice.

But from the answer we give to these questions, it must not be inferred that we favor compulsory arbitration or other forcible outside methods of settling labor disputes. We do *not* favor them. Probably this is chiefly due to our belief that they are impracticable, and many of us believe that they are unnecessary. There seem to be grounds for the contention of some that compulsory arbitration, at least if it decided that strikers must go to work, would be unconstitutional. But there is a yet higher law in this country—public opinion enforces or nullifies laws. Positive public opinion favorable to a law is necessary to its enforcement, and to create such a public opinion favorable to compulsory arbitration would take more effort than is needed to make a public sentiment that will settle labor troubles and avoid labor wars by other means. Individually I

believe that every one, rich or poor, should diligently engage in useful employment. If he will not do this willingly, he should be compelled to do it. No one has a right to be a burden on society or even a presumptive burden on society. We ought to put to work every idle person capable of work in cleaning streets, building roads, making dams and ditches for irrigation, and digging ship canals. But I know how useless it is to expect the American people, so jealous of individual rights, ever to enact and enforce a law to compel the willingly idle to work for the public; and how much less will that public enact and execute a law compelling those that are idle, not to work for itself, but for some individual or corporation with whom these idle laborers are in bitter dispute, and about the very matter of laboring. Farmers do not believe that compulsory arbitration is the best solution of labor troubles, even in quasi-public employments.

What, then, is the best solution of labor troubles and the one the innocent public has a right to demand shall be fairly, earnestly, persistently tried in every case? The experience of the National Stove Makers' Defence Association and of the Stove Moulders' Union of America gives the answer. To a lesser degree, because it is of shorter duration, the experience of the coal mine operators and miners of Illinois gives the answer. So, too, the experience of many individual employers and their employees gives the answer.

I will say briefly that this plan is simply to bring employers and employees together in conference when a labor dispute develops, the men keeping at work pending adjustment. Not employers, laborers, nor the innocent public suffer. It is certainly necessary that

employers and their workmen should meet, by their representatives, in conference as reasonable men, believing that they may possibly be wrong and the others right; and it would seem that it is very desirable, if not necessary that there be a strong organization of both parties, especially of the working men.

Now here is where the innocent public may make itself felt. If made to understand the fact that a lock-out or strike that occasions it a great inconvenience and a loss of millions of dollars is probably a crime against it, occasioned by arrogance or stubbornness and ignorance, public sentiment will so heartily, generally, bitterly, condemn the men responsible for a lockout or strike that such occurrences will be very rare. The cynic may talk to the contrary, but public sentiment is very powerful in this country. Let the public understand that it is grievously imposed on by a strike or lockout; that for years strikes and lockouts have been avoided in one of our important industries by employers and men simply getting together as men respecting each other to discuss their grievances; and public sentiment will force employers and men in other industries thus to settle their difficulties.

Strong organizations of employers and laborers will aid greatly, if they are not necessary, for they will restrain the hot-headed and reckless, who are responsible for lockouts and strikes. Also, if both sides are well organized they are more apt to respect each other and therefore to enter into conference, and in a reasonable frame of mind that does not preclude just concessions. Our labor organizations are now guided and controlled in general by men who are more intelligent, broad-minded, reasonable, and conservative than the mass of the organ-

izations. Because of this and the respect in which strong organizations are held by employers, those laborers that are best organized are least often concerned in strikes and lockouts. It is a new or imperfect organization that is most often concerned in a strike or lockout, and it is the organization strong in numbers and years that rarely has to deal with a strike or a lockout. This is a fact we may well give the most careful consideration. It is a fact that very largely justifies labor organizations and that may aid much in determining the plan to avoid labor wars. Because of this fact farmers, such an important part of the innocent public, are favorable to labor organizations; and because of the further fact that such organizations, when wisely led, are, by making their members more intelligent and cultured, the most powerful agents in raising the plane of living of city working men, hence of increasing their wages. And this means better demand and higher prices for farm products. True, it also means higher prices for what we farmers have to buy. But as the great majority of farmers sell more than they buy, they have a net gain because of the prosperity of working men and all other classes in the city. Therefore, irrespective of the losses often inflicted on them directly by lockouts and strikes, farmers are opposed to those labor wars that inflict such severe losses on the public and lessen the general prosperity. We are heartily in accord with the purposes of this conference,—to arouse the public to the evils of labor wars, and to the fact that they are not necessary and are an imposition on the innocent public; and to a discussion of the best ways and means of settling disputes between employers and workmen without loss to them and without involving the innocent public.

## THE LEGAL PHASE OF THE ARBITRATION QUESTION

BY MORRIS M. COHN, PRESIDENT BOARD OF TRADE,  
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EVER since the foundation of our government, the existence of strikes has been known in this country. And it has been common knowledge for a long time that these unfortunate methods of cure have necessarily involved a great deal of human suffering, principally among the weak and dependent ones. The consciousness of this has made the bitterness of the contest still greater than it otherwise would have been, and has tended to extend the employment of the boycott. The parties which have been affected on this account have not only been the wives and children; but whole communities, even States, have been affected. Manifestly it were well if some method could be found that would furnish a means of settlement of those differences which now are the occasion of strikes. Congress and State legislatures must feel that such an achievement would afford greater assurance of the continued success of our experiment in government than any other one pressing for solution.

I do not intend to discuss the question of arbitration from the sociological or economic standpoint, nor to point out any course of action that may be successfully

used to meet the evils referred to. All that I will undertake to do in this paper is to present the legal phase of the arbitration question.

The history of early English procedure countenances the idea that the early administration of justice was first a process of oral hearing before the whole clan or its elders, and the judgment was immediate.<sup>1</sup> Here, clearly, there is little resemblance to a voluntary selection of arbitrators. And the later history of the subject in England shows that the next step in progress was a hearing before a representative of a lord or potentate, with the assistance of others who came as representatives of the hundreds or other aggregates, and consisted of listening to the parties and their compurgators, or in furthering a settlement of a controversy by wager of battle or law, or by ordeal. At a period quite advanced in the development of English history the process of trial by jury came in, which resulted from a separation of the function of judging from that of testifying. It was long ago the established result of this legal progress that the jury, though selected from the vicinity, were selected because of their want of knowledge, and the facts were proved by witnesses, called by each side, who testified before the jury, to the matters relied on in the pleadings.

This process of development has been meagrely described, and no claim is made to perfect accuracy of statement, which would require much more detail.<sup>2</sup>

<sup>1</sup> For some observations on the origin of judicial systems and laws, see Herbert Spencer, *Principles of Sociology*, vol. ii., part v., chaps. 13 and 14.

<sup>2</sup> Cf. Heinrich Brunner, *Entstehung der Schwurgerichte*; Thayer, *Development of Trial by Jury*; Pollock and Maitland, *History of English Law*, vol. ii., book ii., chap. 9, sec. 4.

But the account given indicates that the system of trying cases in English law was quite other than that of arbitration. The procedure in English law, as is well known to lawyers, became more casuistical and intricate as it grew, developing into a system of writs and common-law procedure, accompanied by the growth of chancery and exchequer courts.

The result was, that by the English common law, which we inherited, agreements to submit to arbitration disputes or suits at law were held to be non-enforceable by the courts.<sup>1</sup> Chancery courts declined to specifically perform them.<sup>2</sup> It was deemed to be against public policy for the courts to recognize tribunals or methods of settling disputes by a kind of judicial procedure not contemplated by law. And the courts still largely adhere to the idea that it is not competent for parties to substitute arbitrators for judges or convert judges into arbitrators.<sup>3</sup> Experience, however, even prior to the independence of this country, demonstrated that this attitude of the courts did not meet the requirements of the English people. As Sir William Blackstone has said: "Experience having shown the great use of these peaceable and domestic tribunals, especially in settling mat-

<sup>1</sup> *Scott v. Avery*, 36 English Law and Equity, 336; S. C. 5 House of Lords, 811; *Roper v. Lendon*, 1 El. and El., 825; *Scott v. Insurance Company*, Stuart, 152; *Stephenson v. Insurance Company*, 54 Maine, 55; *Insurance Company v. Creighton*, 51 Georgia, 95; *Cobb v. Insurance Company*, 6 Gray (Mass.), 192; Chitty, *Contracts*, vol. ii., 1183 (11th Am. Ed.); *American Digest*, Century edition, vol. iv., p. 31.

<sup>2</sup> Pomeroy, *Specific Performance of Contracts*, sec. 291.

<sup>3</sup> Cooley, *Constitutional Limitations*, \* 399; *Trott v. Insurance Company*, 1 Clifford (U. S. Circuit), 439; *Cobb v. Insurance Company*, *supra*; *Stephenson v. Insurance Company*, *supra*; *Insurance Company v. Creighton*, *supra*.



ters of account, and other mercantile transactions, which are difficult and almost impossible to be adjusted on a trial at law; the legislature has now established the use of them, as well in controversies where causes are depending, as in those in which no action is brought; enacting by statute 9 and 10 Wm. III., c. 15, that all merchants and others, who desire to end any controversy, suit, or quarrel (for which there is no other remedy but by personal action or suit in equity), may agree that their submission of the suit to arbitration or umpirage shall be made a rule of any of the king's courts of record," etc.<sup>1</sup> This legislation has been copied by some of the States. Compulsory arbitration is not contemplated by these statutes.

For the most part, compulsory arbitration remains an unknown quantity in this country,<sup>2</sup> though the courts of the United States have modified their views as to the enforceability of agreements to submit matters to arbitration, in exclusion of the right to bring a suit in regard to the matter. Now it is quite generally held that policies of insurance requiring a submission of the question of amount of damage to goods or property affected by fire to arbitration, before a suit can be brought on the policy, are binding, if nothing has been done to waive the same.<sup>3</sup> Contracts for the construction of buildings and railroads which provide that no claim shall be made for work or materials until an estimate has been duly allowed by the supervising architect or engineer, have been held

<sup>1</sup> Blackstone, *Commentaries*, book iii., 16, 17.

<sup>2</sup> Cf. *English and American Encyclopædia of Law*, vol. i., article "Arbitration"; *American Digest*, Century edition, vol. iv., article, "Arbitration and Award," sec. 10.

<sup>3</sup> See authorities in note 1, p. 246.

valid and binding; and parties have been held bound by such estimates, and not entitled to recover until they have been made, and then not in excess thereof, unless fraud or overreaching can be shown.<sup>1</sup> And though chancery courts announce their inability to specifically perform agreements to submit to arbitration, they do not allow parties to be defrauded out of their rights on this account; as in cases where agreements provide for the valuation of property, leaving the question of value to be settled by arbitrators to be selected by the parties, and the owner refuses to appoint arbitrators. In such cases the chancery courts will not allow the agreement to fail on account of the owner's wrongdoing.<sup>2</sup>

These were cases in which property interests are at stake, or damage had already accrued. But in the case of labor disputes the question relates to a wage still to be earned or a service still to be performed, and still to be contracted for. If, in this class of cases, the parties choose to agree to submit their disputes as to wages to arbitration, and arbitrators are selected, and they fix by honest award the wage to be paid or the service to be performed, and the employer and employee enter into relations upon the faith of these findings, there can be no doubt that the award will bind the parties.<sup>3</sup> There is something to sustain the belief that, if a question should arise which the parties had previously agreed they would leave to arbitration, this will preclude a

<sup>1</sup> *American Digest*, Century edition, vol. xi., article, "Contracts," sec. 1308, *seq.*

<sup>2</sup> Cf. *American Digest*, Century edition, article, "Arbitration and Award," sec. 108.

<sup>3</sup> *Id.*, sec. 440.

recourse to the courts before arbitration has been had, or in disregard of the award.<sup>1</sup>

But this will not meet the evil, and it can only be met, so the argument assumes, by legislation which shall be compulsory on both parties. And the question arises, to what extent may Congress and our State legislatures compel a resort to arbitration, and provide a process of arbitration for this purpose?

The Seventh Amendment to the Constitution of the United States gives a right to trial by jury in all civil cases at law where the value in controversy exceeds twenty dollars. The federal courts hold that this right cannot be taken away, except by the assent of the parties entitled to it,<sup>2</sup> and they also hold that this provision applies to the territories of the United States.<sup>3</sup> This being so, in such cases no person can be compelled by Congress to submit his controversy to arbitration.<sup>4</sup> A penal law is probably in the nature of a criminal law, so far as relates to the right of trial by jury.<sup>5</sup> If it is not it is at least in the nature of a civil law. If it is equivalent to a criminal law, under Article III. of the Constitution of the United States, it must be tried by

<sup>1</sup> See note 1, p. 248.

<sup>2</sup> *Hodges v. Easton*, 106 U. S., 408; *Killian v. Ebbinghaus*, 110 U. S. 568; *Scott v. Neeley*, 140 U. S. 106, 109, 110.

<sup>3</sup> *Webster v. Reid*, 11 Howard (U. S.), 437, 460; *Callan v. Wilson*, 127 U. S., 540; *American etc. Co. v. Fisher*, 166 U. S., 464, 468; *Springville v. Thomas*, 166 U. S., 707; *Thompson v. Utah*, 170 U. S., 343, 346.

<sup>4</sup> *Cf. St. Louis etc. Ry. Co. v. Williams*, 49 Ark., 492; *Hare, Constitutional Law*, vol. ii., 863 *seq.*

<sup>5</sup> See *Boyd v. United States*, 116 U. S., 616, 634; *Lees v. United States*, 150 U. S., 476, 480; *Iowa v. Railroad Company*, 37 Federal Reporter, 497.

jury.<sup>1</sup> If it is in the nature of a civil law, a right to trial by jury exists under most, if not all, of the State constitutions, and, as we have seen, the Constitution of the United States. And this right cannot be taken away in felony cases even with the consent of the accused.<sup>2</sup> There are similar provisions in all of the State constitutions, and the rulings mentioned refer to them.<sup>3</sup> So that if a controversy arises, or may arise, which entitles a party to a jury trial, compulsory arbitration cannot be enforced, without an amendment of our constitutions.<sup>4</sup> But, assuming that labor disputes are not matters in controversy which can be understood to be embraced by the provisions of the constitutions of the United States and of the States which have been cited, then what of the law?

Congress and the States are, by the Constitution of the United States, prohibited from depriving any person of his property without due process of law, or without making compensation therefor.<sup>5</sup> Nor, under the same instrument, may any person be deprived of his life or liberty without due process of law.<sup>6</sup>

Now a submission to arbitration is in the nature of a contract.<sup>7</sup> And the question is, can Congress or the States compel parties to submit to this contract, or to

<sup>1</sup> Article III., sec. 2.

<sup>2</sup> Cooley, *Constitutional Limitations*, 3d ed., 399; Thompson and Merriam, *Juries*, sec. 7.

<sup>3</sup> See also cases cited in next note.

<sup>4</sup> *St. Louis etc. Ry. Co. v. Williams*, 49 Ark., 492; *In re Bill relating to Arbitration*, 9 Colorado, 629. See note 4, p. 249.

<sup>5</sup> Fifth Amendment to the Constitution of the United States, sec. 1, and Fourteenth Amendment thereto, sec. 1.

<sup>6</sup> *Idem*.

<sup>7</sup> *District of Columbia v. Bailey*, 171 U. S., 161, 171; *Driggs v. Morgan*, 2 La. Ann., 151.

this curtailment of their right to contract? The Supreme Court of the United States and the courts of the States have denied the right of the legislatures, under these provisions of the Constitution, or equivalent provisions in State constitutions, to interfere with the right to contract, on the ground that this right grows out of the right to be free, to do those things that grow out of the exercise of inalienable rights,<sup>1</sup> and in one case, where a corporation was interested, it was put on the ground that such legislation was an interference with property rights.<sup>2</sup>

Still, as to corporations, it may be, where the power to amend charters has been reserved, that, as to them, compulsory arbitration may be provided<sup>3</sup> if the doing so does not interfere with the enjoyment of their property in the sense of a deprivation of property, without due compensation or due process of law.<sup>4</sup> For it is settled that corporations are not individuals to whom the provisions relating to life and liberty are applicable.<sup>5</sup>

If the limitations above shown to exist are to be

<sup>1</sup> *Allgeyer v. Louisiana*, 165 U. S., 578, 589; *State v. Loomis*, 22 S. W. Reporter (Mo.) 350; *Kuhn v. Common Council*, 70 Michigan, 534; *Frorer v. People*, 141 Illinois, 171; *Eden v. People*, 161 Illinois, 290; *Ex-Parte Jentsch*, 112 California, 468.

<sup>2</sup> *Railroad Company v. Smith*, 173 U. S., 684, 693, 696.

<sup>3</sup> *Cf. Leep v. Railroad Company*, 58 Arkansas 407, 427; *Woodson v. State*, 69 Ark. 521, 526; *Railroad Company v. Paul*, 173 U. S., 404, 408; *Holden v. Hardy*, 169 U. S., 366.

<sup>4</sup> See authorities in preceding note. A jury trial in the States is not assured by the Fourteenth Amendment. *Railway Company v. Iowa*, 160 U. S., 389, 394; *Brooks v. Missouri*, 124 U. S., 394; *Spiess v. Illinois*, 123 U. S., 131, 166. *Cf. McNulty v. California*, 149 U. S., 645.

<sup>5</sup> *Paul v. Virginia*, 8 Wallace (U. S.), 168; *Railroad Co. v. Pennsylvania*, 136 U. S., 114, 118; *Railway Co. v. Paul*, 173 U. S., 404, 406 *seq.*; *Leep v. Railway Co.*, 58 Arkansas, 407, 427.

escaped, in the case of individuals, and in the case of corporations where applicable, it must be by amendment to the constitutions of the United States and the States. It may be that, where State constitutions provide for compulsory arbitration in these matters, and thus by constitutional amendment curtail the instances in which a trial by jury shall be a right, and affect to this extent the right to contract, the Federal courts, as well as the State courts, may uphold the same, in spite of the Constitution of the United States; though that is an open question which is by no means clear.<sup>1</sup>

In closing the discussion of the matters which have engaged our attention in this paper, it is well to bear in mind that the province of Congress extends only to such interests as are conferred, either expressly or by implication, upon it by the Constitution of the United States; and that the States enjoy the right to legislate regarding all internal police affairs, within their domains. This power of Congress may find expression in government contracts, in the regulation of post-offices and post-roads, in revenue and admiralty cases, and to cases in equity in federal courts, as well as in the regulation of law proceedings in the same courts. And the powers of the States may be expressed in revenue acts, acts relating to the condemnation of rights of way, acts relating to assessments for local improvements, as well as in government contracts and court proceedings, etc.<sup>2</sup> And

<sup>1</sup> *Cf.* *Railway Co. v. Paul*, 173 U. S., 404, and authorities in notes 2 and 3, below.

<sup>2</sup> This recital of powers is not intended to be exhaustive. *Cf.* *Brown Gordon v. United States*, 7 Wallace (U. S.), 188; *Chorpenning v. United States*, 11 Court of Claims, 625; *Jersey City R. Co. v. Jersey City & H. R. Co.*, 20 New Jersey Equity, 61.

it is conceivable that in the exercise of these powers a resort to arbitration may be provided for without coming into conflict with any constitutional provision.

In revenue cases it has been held sufficient if the party affected has an opportunity to be heard before a board of equalization: *Railroad Co. v. Backus*, 154 U. S., 421; *Kentucky Railroad Tax Cases*, 115 U. S., 321; *Hagar v. Reclamation District*, 111 U. S., 701; *Davidson v. New Orleans*, 96 U. S., 97; *Wurts v. Hoagland*, 114 U. S., 606; *Murray v. Hoboken Land etc. Co.*, 10 Howard (U. S.), 372; *Railroad Co. v. Worthen*, 52 Arkansas, 529. In cases of assessments for local improvements it is sufficient if a party has a hearing before a board of assessment; *Wurts v. Hoagland*, *supra*: Cases of condemnation under the prerogative of eminent domain do not necessarily require a jury trial: *Hulrieg v. R. and Improvement Co.*, 130 U. S., 559; *Long Island etc. Co. v. Brooklyn*, 166 U. S., 685. Contempt proceedings do not require a jury trial. *Ex-Parte Wall*, 107 U. S., 625; *Finsley v. Anderson*, 171 U. S., 101, 108. There is no absolute right to a jury trial in an equity cause: *Shields v. Thomas*, 18 Howard (U. S.), 253, 261; *Barton v. Barbour*, 104 U. S., 126, 133. There is in some admiralty cases because an act of Congress so provides: *Rev. Stat. U. S.*, sec. 566. Clauses in government contracts have been upheld which required the right to compensation to depend upon the certificate of a third person: *Kihlberg v. United States*, 97 U. S., 398; *Sweeny v. United States*, 109 U. S., 618.

## THE ATTITUDE OF LABOR UNIONS TOWARD MACHINERY AND RESTRICTIONS ON OUTPUT.<sup>1</sup>

BY HENRY WHITE, SECRETARY OF THE UNITED GARMENT WORKERS OF AMERICA.

THE question of machinery and labor involves the whole industrial problem. The complexity of conditions due to the introduction of machinery has caused wide differences of opinion upon the question of wealth distribution. Under the simpler methods of industry the manner in which the proceeds of labor were divided was more readily understood. To-day, however, the system is so highly organized that there is much confusion as to its workings. The perplexity is so great that many see in labor-saving inventions some malign purpose, and others again, who discern that any means which enhances the productiveness of labor must benefit mankind, are unable to comprehend the manner by which that result is effected. The habit of judging the operations of so complex a system by its effect upon certain interests rather than judging it as a whole ac-

<sup>1</sup> This paper, although prepared for the New York Conference, was not read at that time, but since it deals with the serious objection to labor unions referred to in the Conference by Mr. Schwab (see page 33) it is here included as a statement of the employee's side of that question.—Secretary National Civic Federation.



counts for the common misconceptions regarding the service rendered by machinery to society.

If people were to consider how meagre would be the rewards of toil without machinery, how costly the necessities of life, and how small the purchasing power of the laborer, the advantage of machinery would soon become apparent. The confusion is increased by the dual relation which a person occupies as a producer and as a consumer. As a consumer, he benefits almost at once by every saving in effort, while as a producer his means of a livelihood may in consequence be threatened. The laborers thrown out of work by a machine, or even the merchant forced out of business through some combination, cannot be expected to appreciate such economy. In both cases their horizon is limited to their own immediate means of a livelihood.

When a person finds his occupation suddenly gone, it outweighs all other considerations, and, unmindful of the benefits he may have derived from similar economies in other trades, inventions to him seem a curse. The rewards of the particular invention which distresses him go to the body of consumers, and he only shares indirectly as one of them. In the case of the wage worker the gain is not as evident as it is with the manufacturer who first utilizes an invention.

The confusion concerning the value of machinery is not strange, considering the absurd notions which are rife regarding the elementary principles of political economy. No distinction is usually made in the popular mind between useful and useless labor. There is supposed to be only a given amount of work to be done, and hence the inference that the less each one does the more jobs there will be to go around. If wealth

be wasted or destroyed it will in some mysterious manner be replaced. The destruction of property by fire or flood is regarded with complacency by those not directly affected, upon the supposition that more work is thereby provided, without taking into account that the wealth required to replace it must be diverted from some productive use. The spending or circulating of money is equivalent to creating wealth. Luxury is looked upon with more favor than frugality, and it is even thought that gambling benefits a community as much as industry, because the fortunate ones spend freely and the misery which it begets is lost sight of. With such erroneous ideas entertained even by educated people, it is apparent why the complex operations of our industrial system are so slightly understood. The expansion of industry which follows labor-saving devices, the creation of new industries, and the consequent replacing of those displaced, is unintelligible to all save the few who comprehend economic principles.

There are historic causes which have created this antipathy to machinery. During the transition from the domestic to the factory system in England, machinery became a club to subjugate the laborer. Untutored, unorganized, without any resisting power, the former independent artisan, now a factory hand, was placed in brutal competition with his fellows, and every invention only added to his helplessness. The plight of the English laborers at that time abundantly shows that there are circumstances in which the wealth of a nation may increase tremendously, the productive power of labor multiply many fold, while the workers, on the other hand, become impoverished and brutalized. Mill was of the opinion that machinery had not benefited the

working class, but happily, since the time in which he wrote, education and organization, two indispensable factors in their advancement, have come to their aid. An upward trend has in consequence taken place, and the stimulus which it has given will make a relapse as impossible as the advance in sanitary science makes another visitation of a plague. Where the workers have succeeded in acquiring some independence in raising their standard of living, machinery, despite the drawbacks described, has undoubtedly become a potent factor in the elevation of their class.

Under a collective system, the immediate benefit which would be derived by each individual through labor-saving inventions is the chief merit, but to compare the good features of an imaginary social system with the disadvantages of the existing one is an easy task. It can, however, be shown that this desired co-operative principle actually does work out at the present time in a rough way by the distribution of the benefits of inventions throughout society, and that there are possibilities for its more perfect application.

As to the workers' share in production, Karl Marx in his incisive analysis comes to the conclusion that the value of commodities is based upon the labor cost plus the profits of the capitalist. In that he is in accord with the authorities upon social science since Adam Smith. He deduces therefrom, that labor alone represents the actual wealth which is exploited for profit by the capitalist, and that the very capital invested was previously appropriated from the laborer. Granting this conclusion, Marx should have made allowance for the competition between capitalists by which the price of commodities is kept within certain limits and the benefits

of cheaper production are given to the consumer. In the cases Marx deals with, cheaper production unfortunately did not mean only more economical methods, but lower wages and longer hours and the sacrifice of the worker, while the consumer represented some one else than the operative, who barely subsisted on his pittance. Without the ability to purchase the goods he produced, England had to dispose of in foreign markets that which should have been consumed at home, always the best market. Her chief dependence being upon outside markets, everything had to be subordinated to cheaper production.

Concerning the attitude of trade-unions upon the question of machinery, the membership being composed of men with the usual abilities, their views do not materially differ from others. Having, however, the benefit of an education derived from a close study of economic problems and an experience which has helped them to form broader opinions, they are gradually reconciling themselves to machinery. In a resolution introduced at the late convention of the American Federation of Labor held at Scranton, by the delegates of the Cigarmakers' International Union, requesting that a certain firm be declared unfair, there was reference to a cigarmaking machine used in the shop of this employer. Although the machine was mentioned as an evidence only of the inferiority of the product of the concern, a vigorous objection was at once raised by the delegates against any mention of the use of machinery by the firm. In the debate which followed it was argued that the convention could not afford to go on record as against labor-saving devices and that any attempt to oppose them would prove futile. The objectionable words were stricken out

by a decisive vote. As to what action the convention would have taken if the delegates had thought it possible to suppress the machine is a question. The decision of the convention, however, has brought the movement to a point in which the members will be enabled to take a more liberal and completer view of the subject, and to realize that the limitation of work is not only impolitic, but that by increasing their capacities, the opportunity is afforded for them to insist upon a fair share in the larger product. The British unions have not advanced in that respect as far as the American unions, because the habits of the working people there are more set, but circumstances have also changed very much their attitude toward machinery.

The Typographical Union is a notable example of a union which accepted a revolutionizing invention as being inevitable, and thus succeeded in securing a rate of wages for the operators considerably in excess of that received by hand compositors. An officer of the New York union estimates that each linotype machine introduced into the newspaper offices displaced three men, but that within three years, owing to the increase in the size of the newspapers and the larger demand for printed matter which it encouraged, the men laid off have been re-employed and that to-day the pay-rolls even exceed the former figure. This machine has also had the effect of elevating the standards of the craft, owing to the higher skill and education required. The competition among employers is such that profits are reduced to a minimum, the public therefore receiving the full benefit of the improvement.

In the building trades similar results are also noted. Improved methods have led to a prodigious expansion

in building operations. The laborious work is now largely done by mechanical means, and parts of a structure, such as the trimmings, are made in factories and are only fitted together upon the premises. The subdividing of the work is carried on to such an extent that a number of contractors, each performing a distinct function, co-operate in the completion of a single building. When this specialization began and the ingenious hod-hoisting device made it unnecessary for men to make beasts of burden of themselves, a general alarm was created over the prospect of great numbers of workmen being thrown out of employment. To-day a far greater number of men are steadily employed in this fundamental industry than at any time in its history.

Examples of this kind can be cited indefinitely to demonstrate the larger results which flow from greater economy in effort. Allowances are seldom made for the enterprises which could not be carried on at all were it not for labor-saving methods.

The lowering of the costs of commodities enables the average person to indulge in what were formerly considered luxuries, and those which encourage the development of new industries. The tendency under the influence of machinery is for industry to spread out fan shape, ever widening as the distance from the starting-point increases. Were it not for the limitations set by the purchasing capacity of the people, and the periodical disarrangements or panics which occur as a result of what is conveniently termed overproduction, there would be no check. To fear a surfeit of wealth seems absurd considering the needs of the average person. What is meant by overproduction is the inability to buy what has been produced.

Russia, with her immense population, is unable to consume the products of her few mills, while in the United States, where the efficiency of labor is higher than anywhere else and is being increased at a marvellous rate, not to speak of the half-million aliens absorbed every year, the percentage of unemployed is lower than it has been for years, and even less than during the earlier part of our history when manufacturing was in its infancy.

To increase the purchasing capacity of the people either by higher wages or cheaper products is to reduce the surplus and maintain the equilibrium, hence the economic value of higher standards of living. Production cannot be greater than the ability of the average person to consume, any more than water can rise higher than its source. Therefore increased production must be accompanied by the same increase in consumption, if normal conditions are to be maintained. No matter to what extent machinery, division of labor, or economy in management may be perfected, theoretically the demand for labor ought not to diminish.

The eight-hour work-day is advocated by many, not because of the personal benefit to the workmen, but upon the same grounds that they would favor the curtailment of production, in the belief that it would increase the number employed. By decreasing the average amount of work done in order that it may be distributed more evenly, that object, as I have tried to explain, may temporarily be accomplished, but if generally practised there would follow a decrease in the demand for work through the increase in the price of the commodity.

It is doubtful, besides, if workmen in a particular craft have ever succeeded for a length of time in erecting a wall around themselves and preventing as many

extra men as could be employed from getting in if the emoluments were sufficient. Consequently, even if it were possible to so restrict work as to create a scarcity of workmen, this pressure from without would prove irresistible and the normal level would be maintained. If, on the contrary, a lack of work would make a number of workmen superfluous, there would be a tendency for them to find their way into growing occupations. Union regulations, such as apprenticeship rules, can and do prevent undue crowding into a trade owing to a sudden and temporary demand, which would prove highly injurious unless checked, for it would serve to break down standards held by the union. Through such means, an assimilation of those entering the trade is gradually accomplished.

Unions have been frequently charged with trying to restrict output. The same accusation has also, with equal effect, been made against industrial combinations. In many cases where unions endeavor to prevent "rushing" or "driving" injurious to the worker, they have been accused of limiting work. Such restrictions can be easily defended. That labor organizations have in some instances attempted to prevent the use of labor-saving appliances there can be no question, considering the prevailing ideas on the subject. Organized workmen can give force to what with others is only latent opposition, but that such is not the policy of the labor movement, I have just illustrated. The opposition to labor-saving methods is not confined to workmen alone, for employers will rail against competitors able to give better service for less cost. The same resentment at being forced out of a settled occupation is entertained by all.

The actual injury done by machinery is caused by the



suddenness of the changes. Since there can be no way of regulating inventive genius, and the incentives for using improvements will remain as strong, the rational and the only way to meet them is by preparation. The working class suffers most because it is less able to accommodate itself to new situations. The rising generation should be better equipped with a general knowledge of mechanics, and taught how to handle tools with skill. Such a training would undoubtedly relieve the difficulty, and it could only be adequately supplied by the public schools. The result would be to increase the independence of workmen, as they would not then rely upon a small division of a trade, or upon a single employer. Independence and higher wages go together. Unskilled laborers in some cases earn more than skilled mechanics, for the reason that workmen trained only in one craft are usually unfitted for other work, while those accustomed to being thrown upon their own resources are more adaptable.

It is regrettable that even the temporary disadvantages of industrial progress should fall heavily upon some to the advantage of others, but it is as unavoidable as friction is to motion. The suffering can be mitigated only in proportion as our knowledge of the methods of industry increases, by recognizing the inevitableness of the changes and preparing to meet them.

Economic laws, like the laws of nature, admit of no exceptions. Were that possible, the consequences would make the present hardships seem nothing in comparison; in fact, society would quickly disintegrate and revert to its primitive state. If society had to wait for the sanction of every person before a forward step could be taken, it would never start. In the process of

adjustment and readjustment, which progress implies, it is unavoidable that some have to be forced out of settled grooves and made to fit into new ones. It is this adaptability to change which characterizes modern enterprise, this willingness to suffer immediate discomforts for the achievement of larger ends.

In the case of the aged workman the situation is especially hard, as he cannot find any place in an industrial system in which alertness counts for more than skill. He cannot profit by accumulated experience as others do. It is the tragic side of the question, this grievous predicament of the worker who has spent his energies adding to the nation's wealth. It can and ought to be overcome, not by any system of almsgiving, which must always prove inadequate, not by retiring him to idleness, but by keeping him employed at such work as his long training and peculiar abilities fit him for. As his earning power declines at a certain period some system of insurance could supply the deficiency.

One of the acknowledged evils of machinery is the exploitation of child labor which usually follows its introduction. Such was the case in England and we find it repeated again in the new industrial districts of the South. In those industries where the repetition of a small mechanical process enables child labor to be employed, the temptation is to take advantage of the opportunity; for children have no rights to assert, no wage scale to uphold nor working time to maintain. In that respect they are on a par with slave labor, and are more adaptable to the methods of modern production. It might be said with fairness that the capitalists utilizing such opportunities are not alone to blame, for shortsighted and grasping parents often drive their children

into the mills because of the paltry sum which might be added to the family income, and in time they get into the habit of depending upon the pittance obtained at so terrible a sacrifice.

The inducement of a "plentiful supply of cheap labor" is also held out to capitalists by small communities as a means of persuading them to invest in their neighborhoods. These considerations are the chief barriers to be overcome in abolishing child labor. In course of time, however, as the consequences become more evident, and the exultation over the acquisition of new factories wears off, the public conscience revolts against this debasement of childhood and the law is then evoked to protect it. The strenuous efforts being made in the South on the part of the labor organizations and sympathizers to enact protective laws lead us to hope that we shall at least be spared the dreadful experience of England during the first half-century of the factory system.

As to the material advantages of machinery, it surely has enlarged the capacities of the people and multiplied their opportunities. The possibilities are such as to make the mind tremble in anticipation. It is the agency which alone can raise wages, reduce the working time, and enhance the buying power of money—a threefold gain. There is, however, notwithstanding these benefits, another and withal a more important side. Has it advanced the worker as a man? Has it increased his independence? Has it improved his social standing? These are the questions which demand an answer, and unless it can be given emphatically in the affirmative, then the prodigious increase in wealth production has been without result.

The feeling against machinery will not cease until the workman profits more directly as a producer; until he is treated as a human being and not as a mere animated tool; until he becomes more than a tender, an incident in production. The human element must become more evident, and the toiler made to feel his partnership. Then the true mission of machinery will be revealed to all as the only means which can liberate man from drudgery, increase his control over nature, and provide the leisure essential to a higher culture.



## APPENDIXES



## APPENDIX I.

### APPEAL TO THE AMERICAN PEOPLE

Adopted at the Conference on Conciliation and Arbitration, held under the auspices of the National Civic Federation, Chicago, Illinois, December 17th and 18th, 1900.

#### *To the American People, Greeting:*

THE Conference on Conciliation and Arbitration, held under the auspices of the National Civic Federation, animated by a desire of witnessing some practical benefits to the people of our land growing out of these deliberations, desires in a spirit of fairness to make a public appeal for greater sobriety of judgment on a subject of the first importance. We believe that the present time is peculiarly fitting, standing as we do on the border line of two centuries, to make such an appeal, and we believe we could in no better way employ the last days of a dying century than by preparing ourselves for the highest duties of citizenship in the new century upon which we are so soon to enter.

While addressing ourselves, for apparent reasons, more directly to all those who are called upon to mould thought and to shape public opinion, chief among which agencies are the pulpit and the press, this appeal is, however, intended for every American citizen, of whatever station in life.

The secret of good citizenship we believe to be the restraint which the individual can and does place upon many of his own natural inclinations, while the secret of success in life is, after all, dependent on the efforts which the individual makes to work out his own salvation, and the individual citizen is, therefore, specially urged to take a personal interest in the work outlined by this conference.

We duly recognize that unless labor is regularly employed and has reason to be satisfied with its wages and conditions in life we cannot

have permanent peace nor substantial prosperity. We also recognize that capital must find adequate returns for its investment if wages are to be fair and discontent is to be averted.

To the end that tranquillity in the industrial world may prevail, this Conference on Conciliation and Arbitration would make the following recommendations to the American people :

First—That employers and wage-earners should enter into annual or semi-annual agreements or contracts.

Second—That all industries in the United States should establish boards of conciliation within the several and varied interests, to which boards of conciliation all differences and disputes arising between employer and employee, if not readily adjusted between the immediate interests concerned, may be referred for settlement.

Third—Recognizing the fact that compulsory arbitration, aside from all other objections urged against it, is not at this time a question of practical industrial reform, and inasmuch as the systems of arbitration now in vogue do not seem fully to meet the requirements of the different interests, and appreciating the importance of the subject,

We, therefore, recommend that the presiding officer of this conference appoint a committee to serve for a period of one year, to be composed of six representatives of the employer class and six representatives of the employee class, these representatives to be selected as nearly as possible from the different sections of the country, for the purpose of formulating some plan of action looking to the establishment of a general system of conciliation that will promote industrial peace, and that this joint committee be empowered to add to its number and fill any vacancies that may occur.

We would recommend also, that this joint committee be given power to appoint such auxiliary committees from the industries, trades, and professions as may seem best to promote the work of conciliation and education.

We believe that this conference will have, in part at least, failed of its mission unless it strenuously insists that the proper time to arbitrate is not after a strike or lockout has been inaugurated, but before it has begun. We fully realize that all plans of arbitration and conciliation will be unavailing unless we are all animated by a spirit of fairness and justice and are willing to open our eyes to such rights as belong to every citizen.



In accordance with the above recommendations the presiding officer appointed the following named gentlemen to constitute the committee :

A. C. BARTLETT, Vice-President Hibbard, Spencer, Bartlett & Co., wholesale hardware ; SAMUEL GOMPERS, President American Federation of Labor ; HENRY W. HOYT, President National Founders' Association ; JOHN MITCHELL, President United Mine Workers of America ; HERMAN JUSTI, Commissioner Illinois Coal Operators' Association ; MARTIN FOX, President Iron Moulders' Union of America ; E. D. KENNA, Vice-President Atchison, Topeka & Santa Fe Ry. System ; FRANK P. SARGENT, Grand Master Brotherhood of Locomotive Firemen ; G. WATSON FRENCH, Vice-President Republic Iron and Steel Company ; HENRY WHITE, General Secretary United Garment Workers of America ; CHAUNCEY H. CASTLE, President Stove Founders' National Defence Association ; JAMES M. LYNCH, President International Typographical Union.

## APPENDIX II

### ADDRESS OF NATIONAL COMMITTEE ON CONCILIATION AND ARBITRATION, ISSUED MAY 8, 1901, AT NEW YORK

#### PURPOSE

The National Committee on Conciliation and Arbitration, created at a convention held in the city of Chicago, in December, 1900, under the auspices of the National Civic Federation, and clothed with authority by that convention to organize and formulate policies and measures and to enter into active service in the cause of peace and harmony in the industrial world, realizing that the prosperity of our nation depends upon the steady and profitable employment of the people, that when the workers are idle capital is idle, and the interest of employer and employee are imperilled, hereby announces and declares its purpose to be the prevention of those most threatening of all industrial disturbances, the strike and the lockout.

#### SCOPE

The scope or field of work of the National Committee on Conciliation and Arbitration is briefly described as follows :

First—To form in the public mind the conviction that industrial disturbances in the nature of strikes or lockouts can and should be avoided.

Second—That the only reliable method of avoiding such disturbances is through full and frank conferences between employers and workmen, with the avowed purpose of reaching an agreement as to terms of employment. Trade agreements between employers and workmen where established for a definite term have so fully demonstrated their value in maintaining industrial peace that they should be generally adopted.

Third—That under conditions existing to-day, and as they are likely to exist for the future, organizations suitable for comprehensive and conclusive consideration of those complex questions involved in the mutual relations of employers and workmen, are most valuable and important, and where possible should be utilized, but in any event the true and safe policy is comprehended in conference and agreement between employers and workmen covering as large a constituency as possible, and

Fourth—That the surest way to keep organizations of employers and workmen free from unwise and injurious action is through co-operation and the mutual education and respect which will inevitably follow from it.

To establish and maintain a board or commission composed of the most competent persons available, selected from employers and employees of judgment, experience, and reliability, which shall be charged with the above-described duties, and shall also be expected to make known to workmen and employers that their counsel and aid will be available if desired in securing that co-operation, mutual understanding, and agreement already indicated as the general purpose of this National Committee on Conciliation and Arbitration.

#### METHOD

The general method of operation only may be outlined ; specific measures will have to be determined from time to time, as study, investigation, and experience may show cause.

The committee will secure the fullest possible information as to methods and measures of arbitration in vogue throughout the world ; it will put itself into communication with all representative bodies of workmen and employers, inform them as to its purpose, offer its

services and secure their co-operation and good will if possible, asking particularly of general organizations that whenever any specific questions arise where there is no established method of joint consideration and settlement existing, that the national committee be informed, in order that it may use its influence before trouble occurs. This method to be extended to local organizations when the committee may find itself sufficiently equipped to do so.

The committee will adopt such measures as may seem feasible to disseminate through the general newspaper press, through magazines, periodicals, and special pamphlets, the results of its investigations, together with its recommendations and suggestions.





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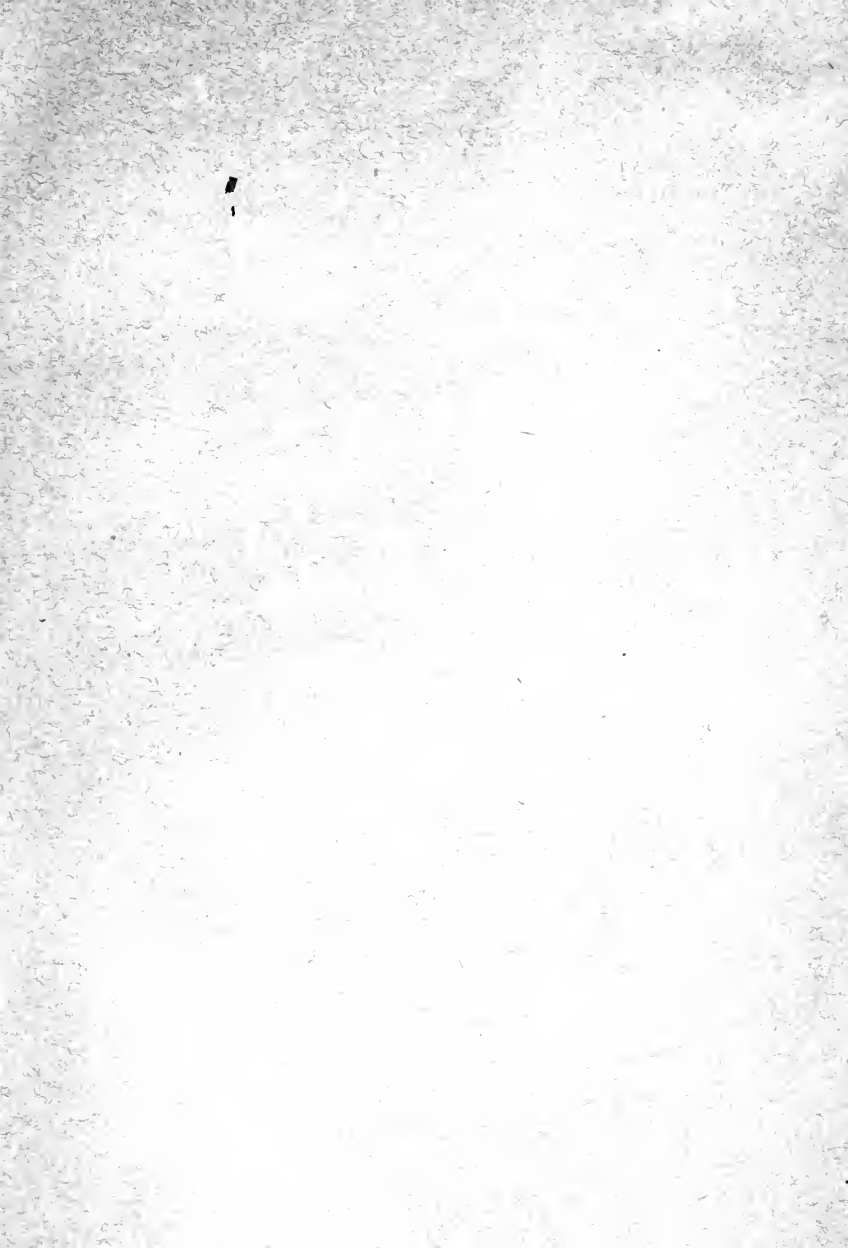
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